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SITTING DAYS—2014

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—FOURTH PERIOD

Governor-General
His Excellency General the Hon. Sir Peter Cosgrove AK, MC (Retd)

Senate Office holders
President—Senator Hon. Stephen Parry

Deputy President and Chair of Committees—Senator Gavin Mark Marshall
Temporary Chairs of Committees—Senators Christopher John Back, Cory Bernardi, Sam Dastyari, Sean Edwards, Alexander McEachian Gallacher, Susan Lines, Deborah Mary O'Neil, Nova Maree Peris OAM, Dean Anthony Smith, Zdenko Matthew Seselja, Glenn Sterle, Peter Stuart Whish-Wilson and John Reginald Williams

Leader of the Government in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC

Leader of the Opposition in the Senate—Senator the Hon Penny Wong
Deputy Leader of the Opposition in the Senate—Senator the Hon Stephen Conroy

Manager of Government Business in the Senate—Senator Hon. Mitchell Peter Fifield
Manager of Opposition Business in the Senate—Senator Claire Moore

Senate Party Leaders and Whips
Leader of the Liberal Party in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Liberal Party in the Senate—Senator Hon. George Henry Brandis QC

Leader of The Nationals in the Senate—Senator Hon. Nigel Scullion
Deputy Leader of The Nationals in the Senate—Senator Hon. Fiona Nash

Leader of the Opposition in the Senate—Senator the Hon Penny Wong
Deputy Leader of the Opposition in the Senate—Senator the Hon Stephen Conroy

Leader of the Australian Greens—Senator Christine Anne Milne
Leader of the Palmer United Party in the Senate—Senator Glenn Patrick Lazarus
Deputy Leader of the Palmer United Party in the Senate—Senator Jacqui Lambie

Chief Government Whip—Senator David Christopher Bushby
Deputy Government Whips—Senators David Julian Fawcett and Anne Sowerby Ruston

The Nationals Whip—Senator Barry James O'Sullivan
Chief Opposition Whip—Senator Anne McEwen
Deputy Opposition Whips—Senators Catriona Louise Bilyk and Anne Elizabeth Urquhart

Australian Greens Whip—Senator Rachel Siewert
Palmer United Party Whip—Senator Zhenya Wang

Deputy Palmer United Party Whip—Senator Jacqui Lambie

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<td>Abetz, Hon. Eric</td>
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<td>Bilyk, Catryna Louise</td>
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<td>Brandis, Hon. George Henry, QC</td>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives.

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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.

**PARTY ABBREVIATIONS**

AG—Australian Greens; ALP—Australian Labor Party;
AMEP—Australian Motoring Enthusiast Party; CLP—Country Liberal Party;
DLP—Democratic Labour Party; FFP—Family First Party; IND—Independent,
LDP—Liberal Democratic Party; LNP—Liberal National Party; LP—Liberal Party of Australia;
NATS—The Nationals; PUP—Palmer United Party
Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
<table>
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<tbody>
<tr>
<td>Prime Minister</td>
<td>The Hon Tony Abbott MP</td>
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<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women</td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon Josh Frydenberg MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon Alan Tudge MP</td>
</tr>
<tr>
<td>Minister for Infrastructure and Regional Development (Deputy Prime Minister)</td>
<td>The Hon Warren Truss MP</td>
</tr>
<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
<td>The Hon Jamie Briggs MP</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td>Minister for Trade and Investment</td>
<td>The Hon Andrew Robb AO MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>Senator the Hon Brett Mason</td>
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<tr>
<td>Minister for Employment (Leader of the Government in the Senate)</td>
<td>Senator the Hon Eric Abetz</td>
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<tr>
<td>Assistant Minister for Employment (Deputy Leader of the House)</td>
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<tr>
<td>Attorney-General</td>
<td>Senator the Hon George Brandis QC</td>
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<tr>
<td>Minister for the Arts (Vice-President of the Executive Council)</td>
<td>Senator the Hon George Brandis QC</td>
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<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
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<tr>
<td>Minister for Justice</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td>Treasurer</td>
<td>The Hon Joe Hockey MP</td>
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<tr>
<td>Minister for Small Business</td>
<td>The Hon Bruce Billson MP</td>
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<tr>
<td>Acting Assistant Treasurer</td>
<td>Senator the Hon Mathias Cormann</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon Steven Ciobo MP</td>
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<tr>
<td>Minister for Agriculture</td>
<td>The Hon Barnaby Joyce MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Agriculture</td>
<td>Senator the Hon Richard Colbeck</td>
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<tr>
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<td>The Hon Christopher Pyne MP</td>
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<td>Senator the Hon Scott Ryan</td>
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<tr>
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<td>The Hon Bob Baldwin MP</td>
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<tr>
<td>Minister for Social Services</td>
<td>The Hon Kevin Andrews MP</td>
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<tr>
<td>Assistant Minister for Social Services (Manager of Government Business in the Senate)</td>
<td>Senator the Hon Mitch Fifield</td>
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<td>The Hon Paul Fletcher MP</td>
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<td>The Hon Peter Dutton MP</td>
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<tr>
<td><strong>Minister for Defence</strong></td>
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<tr>
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<tr>
<td><strong>Minister for Veterans’ Affairs</strong></td>
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<tr>
<td>Senator the Hon Michael Ronaldson</td>
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<tr>
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<td>The Hon Darren Chester MP</td>
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<tr>
<td><strong>Minister for the Environment</strong></td>
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<tr>
<td>The Hon Greg Hunt MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Minister for the Environment</strong></td>
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The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 09:30, read prayers and made an acknowledgement of country.

BUSINESS

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (09:31): by leave—I move:

That—

(a) consideration of general business private senators' bills under temporary order 57(1)(d)(ia) shall not be proceeded with and that government business shall have precedence for 2 hours and 20 minutes; and

(b) consideration of general business private senators' bills under temporary order 57(1)(d)(ia) be called on after consideration of government business order of the day no. 1 (Land Transport Infrastructure Amendment Bill 2014) if 2 hours and 20 minutes have not expired.

The opposition indicated earlier this morning that they were prepared to offer the private senators' business time this morning, to facilitate completion of the Land Transport Infrastructure Amendment Bill 2014, and that, if that was concluded, they proposed, and we accepted, that the Senate would return to the private senators' bills as listed. I think that was a sensible proposition, which we were happy to accept, and between that offer and 9.30, I understand, the whips have been contacting the Greens and the crossbenchers to indicate this change in plan.

Senator MOORE (Queensland) (09:32): The opposition was very keen to work to ensure that this important legislation came to the chamber and could be concluded as quickly as possible. We knew that there was a great deal of interest in this bill because of the importance of the money flowing through to the local governments. They have expressed their interest in that. We also know that there were many speakers who wanted to be part of this debate, so it is important that we go through that.

We want to put on record very clearly, though, that, in terms of private senators' business, we are committed to ensuring that private senators' business does get the consideration it should have in our program. So this is not going to be a regular offer, as the government should understand; this was for a particular purpose.

We were concerned that there was not enough work being done by the government to ensure that this was being brought forward for debate, so we are putting on record that we think this is important. We acknowledge the pressure that has been put on by community members to ensure that we consider this bill and put it through quickly so that the House can consider it and we can look at what we can do with the process.

We acknowledge that it is the role of the government to determine the schedule of business. We will work cooperatively with the government when we can. But we think it was important that we actually offer this up at this time to allow the process to continue.

Senator MILNE (Tasmania—Leader of the Australian Greens) (09:34): The Greens are not going to stand in the way of this change that is being proposed, but I want to put it very firmly on the record that I think it is a disgraceful effort from the Labor Party and the Palmer
United Party that they got themselves into such a mess that we have ended up giving up private members' time—which we have so little of in this place—to the government when in fact that bill could have been debated and finished next week. There is no reason why that could not have happened. As to giving up private members' time, we have fought so hard in this Senate to have private members' time, for the opposition parties and the crossbench, for years. And to see a debacle like this shows exactly what this Senate is going to be subjected to if people do not get their act together.

So we will allow this debate to proceed, but I want it on the record that we do not agree with giving up private members' time for government business.

Question agreed to.

**BILLS**

**Land Transport Infrastructure Amendment Bill 2014**

**Second Reading**

Debate resumed on the motion:
That this bill be now read a second time.

Senator XENOPHON (South Australia) (09:35): Mr Deputy President Marshall, it is a pleasure to see you in the chair again.

I would like to indicate my support for this bill. And I do share the concerns of the Leader of the Australian Greens, Senator Milne, in relation to private members' time—it has been hard fought for. I think there are broader issues about question time as well. With a record number of crossbenchers, we need to have a fairer system in place so that crossbenchers can fairly participate in the debates in this chamber and the processes of this chamber, including question time and private members' time. I look forward to discussing that with my colleagues and with the whips of the major parties as well, so that we can head off some of the problems that are emerging.

In relation to the Land Transport Infrastructure Amendment Bill 2014, I indicate my support for this bill. I will also be supporting the amendments proposed by both the Australian Greens and the opposition, in the sense that they are relatively similar and I believe either option will be an improvement to this bill. In particular, I want to express my support for the amendments proposing greater scrutiny of projects over a certain monetary threshold. I believe this is an important amendment and will help to ensure accountability and transparency. I also want to acknowledge the good work that the infrastructure assistant minister, the Hon. Jamie Briggs, has done. I think that what he has said about ensuring value for money on road projects is refreshing; I think that that is actually a good initiative on his part and, if he is successful, as I hope he will be, in improving the processes and the value-for-money criteria, then he will be doing this country a great service. But I also think that having greater accountability and transparency in respect of road funding is a good thing.

I will keep my remarks brief because time is of the essence when it comes to this bill. It has already been delayed, which is of significant concern to local councils, and further delays could jeopardise funding for vital projects, particularly in respect of Roads to Recovery. I acknowledge the many, many phone calls and text messages I have exchanged with Felicity-ann Lewis, the President of the Australian Local Government Association, from South
Australia, who is doing a great job. I pay tribute to her persistence, to her interest and to her advocacy in respect of this issue on behalf of local government. I think all of my colleagues in this place are supportive of the Roads to Recovery program and want to see it extended, given that the previous funding ended in June and that some councils have begun new projects based on promises that the funding would continue. We must ensure this legislation passes as a matter of urgency. However, I do want to address a fundamental inequality in the way that funds are allocated.

South Australian local government currently manages 11 per cent, or 75,000 kilometres, of the nation's local road network and receives just 5.5 per cent of identified local roads grant funding, despite the fact that South Australia has about 7.2 per cent of the nation's population. As such, South Australia receives the lowest funding per capita of all states and territories, at just $23.23 per capita. South Australia also has the lowest funding spent per kilometre, with Queensland and Western Australia receiving almost twice as much. Victoria receives 2.25 times as much funding. New South Wales gets nearly three times as much. By contrast, Tasmania, which has about two per cent of Australia's population, receives $72.40 per capita, over five times the funding to South Australia.

To address this inequality, the supplementary local road fund was established; but, despite the continuation of the Roads to Recovery program, this supplementary account, which would have brought South Australia up to 7.9 per cent of the fund—an improvement but still not quite good enough—has not been included in the current budget, and that is fundamentally wrong. I urge the Hon. Jamie Briggs, the assistant minister for infrastructure, and the Hon. Christopher Pyne, the most senior South Australian in the cabinet, to fight for South Australia in the same way that Nick Minchin, Alexander Downer and Amanda Vanstone fought for South Australia when they were in the cabinet. I just hope that they have the same level of resolve when it comes to their home state of South Australia.

What this means is that South Australian councils will miss out on about $18 million for 2014-15, with some individual councils missing out on as much as $1 million each. So, while I support this bill, I call on the government to renew their commitment to infrastructure by reinstating the supplementary fund or at least by reallocating the existing funds on a more equitable basis. Improving Australia's roads needs a national approach, and funding should be fairly distributed across the country.

As I said, I support this bill. I look forward to debating the amendments in the committee stage but I want to make it clear that, whilst I support the opposition's and the Greens' amendments in terms of improving transparency and accountability, I do not want to see this bill ultimately delayed; I want to make sure that the funding for the Roads to Recovery program is flowing by next week. We cannot afford to have gridlock on a program that is obviously urgent, a program that both sides, both major parties, support. If we do not get the funding flowing by next week, then we are showing signs of that malaise, that gridlock, which has been so toxic in American politics. Let us not bring that to our shores.

Senator JOHNSTON (Western Australia—Minister for Defence) (09:41): I thank all senators for their contributions on this important piece of legislation, the Land Transport Infrastructure Amendment Bill 2014, particularly Senator Xenophon. The government are committed to building the infrastructure of the 21st century, and the changes in the bill will help us achieve the recently announced budget infrastructure initiatives.
The amendments to the Nation Building Program (National Land Transport) Act 2009 are sensible and necessary to facilitate the government's ambitious land transport infrastructure agenda. The bill provides funding certainty—funding that is critical to local government by continuing the vitally important Roads to Recovery program. The Roads to Recovery program, as many of us here know, lapsed on 30 June 2014. No payments can be made to local governments until this bill has passed, although we have committed $2.1 billion over the next five years to the program, including a doubling of funding to each and every council in the 2015-16 financial year. That is what is at stake with this legislation.

The current nation building act, established by the former minister, Mr Anthony Albanese, made no provision for the Roads to Recovery program to continue beyond 30 June. The shadow spokesperson for infrastructure claims to be committed to local government and to this program, but he has failed local government by failing to provide for this vital program to continue on his watch. Without the passage of this bill, local councils stand to lose the $2.1 billion that I referred to in funding for this vital Roads to Recovery program.

The opposition spared no time in criticising the government's decision to pause the indexation of Financial Assistance Grants to local government for three years to help bring the budget back to surplus. This was a decision not taken lightly by the government. It is no secret that everyone is contributing to fix the economic mess left by the previous, Labor government. Australia's debt is already costing us billions of dollars in interest payments. This year alone, we are paying $12 billion in interest costs. Wouldn't it be nice if this could go to local councils as more funding through Financial Assistance Grants or to the Roads to Recovery program? But it cannot—a lost opportunity because of the reckless mismanagement by those opposite.

Labor failed to come clean with councils about their own agenda to block the flow of the $2.1 billion that I mentioned to local councils for the upkeep of their local roads—money that local councils completely rely upon. If the opposition were serious about local council funding, they would not have voted against this bill in the House of Representatives. I say that again for the benefit of those listening to us: if Labor were serious and honest with the Australian public, they would not have voted against the bill in the House of Representatives, which is what they did.

During the winter recess we saw Labor claim that this program has been held up by the government's actions. But both Labor and their allies the Greens are yet to support the bill. In fact, as I have said, they voted against it in the House of Representatives yet were unable to point to one single element of the bill that, in their view, was unacceptable. It was just plain old deliberate obstructionism. They were playing politics—and they continue to do so.

The primary intent of the Land Transport Infrastructure Amendment Bill 2014 is to continue the Roads to Recovery program—which Mr Albanese failed to provide for when he was the minister, creating an expiration date of 30 June 2014. That is why we are in the problem we are in. Mr Albanese proposes a private member's bill to fix the problem. Let us not forget that the shadow spokesperson is on record as saying legislation is not needed for the program. This private member's bill, which the government has not yet seen or been consulted on, is a media stunt to respond to the outrage expressed by local councils right across Australia. Again, this is clear evidence that the Labor Party are just plain playing politics. We know it is a media stunt because Mr Albanese attempted to suspend standing
orders in the House on Tuesday to introduce a bill but actually had no paperwork to back it up. The Australian public, local councils and this Senate chamber have now seen exactly what he stands for—legislation by media release and nothing more. He made Labor vote against the bill in the House, and local councils around Australia were understandably outraged. The only way the Labor Party and the shadow minister can save any face is to talk of introducing his own legislation to save the program. If he now accepts that legislation is necessary, he should quit the theatrics and the politicking and support the government's legislation.

Labor has also been claiming that the bill contains amendments that are unacceptable to the opposition. Yet the main purpose of the bill is to continue the Roads to Recovery program—the bill that they themselves voted against in the House without being able to point to one single clause, paragraph or enactment of a bill that is now described as unacceptable. The bill also changes the name of the act to remove the politicisation of the Infrastructure Investment Program from within the act. Mr Albanese seems desperate to preserve his legacy and is playing a childish tactic of attempting to ensure that the name 'Nation Building Program', which he gave to this act, is retained. What he is doing right now, with roads running into disrepair, is the complete opposite of what he wants to call the bill.

The government has also included a few other minor amendments in the bill to reduce duplication, to streamline the operation of the act and to reduce red tape consistent with our red tape reduction agenda. The amendments proposed by the opposition in the Senate, which the government deems unacceptable, include wanting to enshrine the name of the Heavy Vehicle Safety and Productivity Program in the act. These projects are already funded under the act and budgeted for and, as such, including a new separate part is a completely unnecessary duplication. Mr Albanese has briefed the crossbench that, unless the heavy vehicle program is named specifically in legislation, it will not continue. Let's be clear, this government is committed to that program and is spending more on the heavy vehicle program than Labor ever did. The budget papers clearly demonstrate this. Mr Albanese himself did not find it necessary to make significant amendments when he corrected the Heavy Vehicle Safety and Productivity Program. He did one minor thing at that time. He only changed the definition of 'road' in legislation because that is all that was needed to establish the program. So why is he now proposing eight pages of amendments just on the Heavy Vehicle Safety and Productivity Program?

Labor and the Greens also want to complicate and inappropriately create an additional role for Infrastructure Australia in this bill when in fact this act has nothing to do with the administrative arrangements of Infrastructure Australia. This clearly makes no sense. If Labor was serious about looking after local councils and cutting red tape, it would simply pass the bill unamended. I ask Labor to point to just one aspect of the bill that is unacceptable. This is a simple piece of legislation. It is a very simple bill to extend the Roads to Recovery program and to fund our local government authorities for that purpose—to change the name of the bill and to tidy up other aspects of the act consistent with the government's red tape reduction agenda. That is all that it does.

It is true that we were forced to withdraw the legislation from the Senate in the final sitting of parliament before the winter recess because it was clear that it would not have passed without major unacceptable amendments proposed by Labor and their allies the Greens. Many of the proposed amendments are unacceptable to the coalition as they are either not directly
relevant to the bill or will add needless bureaucracy and red tape to the operation of programs for local councils.

Today we are hopeful that Labor and Greens senators will do the right thing by local councils and the right thing by the communities within those councils. As a government we will continue to stand up for local communities rather than playing petty games which affect the everyday lives of commuters, particularly on roads in regional Australia. The bill reinserts a power for the minister to determine the Roads to Recovery list, which is essential for the program to be able to function. This power was removed from the act when it was amended in 2009 by the previous Labor government. Clearly, the opposition had little tolerance for the Roads to Recovery program.

The bill renames the act to the National Land Transport Act 2014, removing the link between the name of the act and the name of the Land Transport Infrastructure Funding Program. This means that when a funding program ends or its name changes in the future there will no longer be a need to amend the legislation and it will therefore be a reduction in the administrative burden. This removes the politics from the act. The opposition has claimed the bill was entirely about removing the nation-building branding of the former government and nothing more. This government is about substance and certainly not slogans. The bill is needed to extend the Roads to Recovery Act and that is what we are trying to do with this quite simple and straightforward piece of legislation.

I urge the crossbenchers to think very carefully about the way they will vote on the amendments particularly. You can vote to continue the Roads to Recovery program, which I trust that you will do, by rejecting the amendments proposed by Labor and the Greens. Local government will certainly thank you for that. The government will thank you for that. We will not have to see the unnecessary toing and froing of the bill and we will guarantee the much needed funding flowing expeditiously to local governments so they can manage their roads properly and safely. Alternatively, you could vote to support the various amendments by the Labor Party and the Greens, but you will be alone in doing so and will contribute to the uncertainty that now confronts local governments and local authorities as to where they are going to get their funding to do the road maintenance that their communities so desperately need.

Let me be very clear. As I have said, this is a very simple piece of legislation. It is a very simple bill to extend the Roads to Recovery program, to change the name of the legislation, and to tidy up some small and other aspects of the act consistent with our red-tape reduction agenda, and that is all it does. Why is that so offensive? Why has that become so controversial? This bill simply amends the act which was in place under Mr Albanese. Mr Albanese did not see it necessary to add a separate section on heavy vehicle projects. Mr Albanese did not have a so-called transparency clause that makes the minister direct Infrastructure Australia and his department, but then Mr Albanese did not have a transparent Infrastructure Australia either, and he funded many, many projects that came nowhere near Infrastructure Australia's priority list and ignored others on that priority list. Mr Albanese says that the government has no new projects. If the government has no new projects, why does he now insist on Infrastructure Australia assessing all the projects he previously committed to? Is he doubting whether he chose projects that do not demonstrate value for money?
The two major areas where Labor and the Greens will seek to add to the bill are in relation to Infrastructure Australia's functions and in relation to the Heavy Vehicle Safety and Productivity Program. I want to be very clear: the Australian government stand by their promise to ensure infrastructure projects over $100 million are assessed by Infrastructure Australia, and Infrastructure Australia will publish its justification for recommending projects for government funding. We will be introducing amendments in the house that specifically deal with this, and I am on the record to say precisely that. There is no need to delay funding to local councils for Roads to Recovery by attempting to create additional roles for Infrastructure Australia in this bill. They should be in the Infrastructure Australia Act where, of course, we all know they belong.

We are also committed to heavy vehicle safety. We agree that the program, the Heavy Vehicle Safety and Productivity Program created by the Labor Party, is an important and successful program for heavy vehicle safety. In fact, we were so impressed with their program that we are extending it and providing more money for it than they ever, in fact, did. The coalition government are also helping those in the heavy vehicle sector by providing an enormous program of works, the largest infrastructure program ever to ensure safer roads for use by heavy vehicles and those that share the roads with them. Let me list a small sample of other initiatives that the government are pursuing to improve heavy vehicle safety. Firstly, a review of the National Heavy Vehicle Accreditation Scheme and of heavy vehicle inspection regimes. Secondly, mandatory load proportioning or anti-lock braking systems for all model prime movers. Thirdly, state, territory and Commonwealth governments are working collaboratively with industry to determine research and trials for the next generation of braking control systems.

In relation to heavy vehicle safety, may I take this opportunity to acknowledge the efforts of Senator Ricky Muir who over recent weeks has been instrumental in seeking continued government support for the Heavy Vehicle Safety and Productivity Program. I pause to congratulate him on that very important contribution. My home state of Western Australia with B-doubles and very heavy vehicles certainly appreciates that input. It is a measure of the importance of this program for the Australian community that it attracts support from others in this chamber, and it is refreshing to talk to senators in this chamber who are willing to work constructively to secure clear and positive outcomes that benefit all Australians. Senator Muir, well done.

In summary, the bill streamlines and enhances the operation of the act to the benefit of states, territories and the Commonwealth by removing unnecessary duplication. It provides clarity with one set of funding conditions and approval processes for the majority of projects funded under the act. The bill also assists the government's deregulation agenda by repealing three spent land transport infrastructure acts. There are no regulatory or financial impacts on businesses, or on the not-for-profit sector, from the amendments to the Nation Building Program (National Land Transport) Act 2009, or from the repeal of the spent legislation. The bill is compatible with human rights as it does not raise any human rights issues.

The bill was referred to the Senate Rural and Regional Affairs and Transport Committee for inquiry on 6 March 2014. The committee's report, which came down on 24 March, supported the legislation in its current form. So, let's talk no more of seeking to divert the parliament's course of providing strong funding for local governments and actually delivering
on that funding. We have suspended private member's business today, not lightly, but with
due consideration to the fact that local councils are desperately needing this money.

I commend the bill to the house. I commend this bill to all senators, and I urge you to think
about those communities that need the support of their councils and their councils' funding to
deal with this roads issue. I thank the Senate.

The DEPUTY PRESIDENT: The question is that the bill be read a second time.
The Senate divided. [10:02]

(The Deputy President—Senator Marshall)

Ayes ..................53
Noes .................4
Majority .............49

AYES

Back, CJ
Bullock, J.W.
Cameron, DN
Colbeck, R
Dastyari, S
Di Natale, R
Fawcett, DJ (teller)
Gallacher, AM
Johnston, D
Leyonhjelm, DE
Ludlam, S
Lundy, KA
Madigan, JJ
McGrath, J
McLucas, J
Moore, CM
O'Neill, DM
Payne, MA
Reynolds, L
Rice, J
Ruston, A
Siewert, R
Sinodinos, A
Seselja, G
Waters, LJ
Williams, JR
Xenophon, N

Brandis, GH
Bushby, DC
Canavan, M.J.
Collins, JMA
Day, R.J.
Edwards, S
Fifield, MP
Hanson-Young, SC
Ketter, CR
Ludwig, JW
Macdonald, ID
Marshall, GM
McKenzie, B
Milne, C
Nash, F
O'Sullivan, B
Peris, N
Rhiannon, L
Ronaldson, M
Singh, LM
Smith, D
Urquhart, AE
Whish-Wilson, PS
Wright, PL

NOES

Lambie, J
Muir, R

Lazarus, GP
Wang, Z (teller)

Question agreed to.
Bill read a second time.
In Committee

Bill—by leave—taken as a whole.

Senator RICE (Victoria) (10:07): by leave—I move Greens amendments (5) and (6) on sheet 7495 revised:

(5) Schedule 1, item 14, page 7 (after line 21), after section 4A, insert:

4B Consultation with Infrastructure Australia

(1) This section applies to:

(a) a Black Spot Project; or
(b) a Heavy Vehicle Safety and Productivity Project; or
(c) an Investment Project; or
(d) a Transport Development and Innovation Project.

(2) Before the Minister approves the provision of Commonwealth funding for the project, the Minister must, if capital expenditure on the project is $50 million or more, require Infrastructure Australia to give to the Minister an evaluation of the project so that the Minister can decide whether to approve the project.

(3) Infrastructure Australia's evaluation of the project under subsection (2) must:

(a) contain a cost benefit analysis of the project; and
(b) specify the priority that Infrastructure Australia would give the project in relation to priorities specified in its current Infrastructure Plan; and
(c) set out any other matter that Infrastructure Australia considers relevant to the project.

(4) In determining whether to approve the provision of Commonwealth funding for the project (irrespective of whether capital expenditure on the project is less than, equal to or more than $50 million), the Minister must have regard to:

(a) Infrastructure Priority Lists and Infrastructure Plans developed by Infrastructure Australia under the Infrastructure Australia Act 2008 to the extent relevant to the project; and
(b) Infrastructure Australia's evaluation of the project under subsection (2) (if applicable);
(c) any other advice given by Infrastructure Australia that relates to the project.

(5) Subsection (4) does not limit the matters to which the Minister may have regard in determining whether to approve the provision of Commonwealth funding for the project.

4C Cost benefit analyses to be made public

(1) The Minister must ensure that the following information about a Black Spot Project, Heavy Vehicle Safety and Productivity Project, Investment Project or Transport Development and Innovation Project is made available on the Department's website, if Commonwealth funding is provided for the project:

(a) a description of the project;
(b) when the project is to start and is likely to be completed;
(c) Infrastructure Australia's evaluation of the project under subsection 4B(2) (if applicable);
(d) any advice given by Infrastructure Australia in relation to the project as mentioned in paragraph 4B(4)(c).

(2) The information must be published no later than 14 days after the Commonwealth first informs a recipient of the funding that Commonwealth funding will be provided for the project.

(6) Schedule 1, item 14, page 7, after proposed section 4C, insert:
4D Cost benefit analyses of other projects

(1) Infrastructure Australia must give to the Minister a cost benefit analysis of a land transport infrastructure project if:

(a) Commonwealth funding is provided for the project (under this Act or any other law) on or after the commencement of this section (whether the provision of the funding was agreed to, approved or announced before, on or after that commencement); and

(b) capital expenditure on the project is $50 million or more; and

(c) Infrastructure Australia is not required to give a cost benefit analysis of the project to the Minister under another provision of this Act.

(2) The Minister must ensure that the cost benefit analysis is made available on the Department's website.

These amendments amend the bill so that for any project of $50 million or more in capital expenditure, the minister must have regard to the Infrastructure Australia evaluation of the project. The evaluation of the project must include a cost-benefit analysis, the priority of the project as per Infrastructure Australia's infrastructure plan and any other relevant matter, and the evaluation must be made available on the department's website. If there is any Commonwealth funding for the project, the department website must make information available with the description of the project, time lines, the advice by the Infrastructure Australia and the evaluation.

We have suggested the $50 million benchmark because this was the benchmark that was in the recommendation of the Productivity Commission report in the public infrastructure, which was undertaken this year. In the report, they stated:

All governments should commit to subjecting all public infrastructure investment proposals above $50 million to rigorous cost–benefit analyses that are publicly released …

We think that moving these amendments to this bill is a very good opportunity to put this recommendation into legislation. Accountability and making sure that investment in transport infrastructure is cost-effective is incredibly important because, when you are investing in transport, we have got a limited budget. We have got to make sure that they are being spent in the most appropriate way possible. That is what this amendment is seeking to achieve with these important investments that are going to be made into our transport infrastructure.

Senator CAMERON (New South Wales) (10:09): Labor opposes Green's amendment (5). Labor has opposition amendment (7), which is a copy with slight changes. Labor supports $100 million as the mandatory threshold for Infrastructure Australia evaluation. Black spots, heavy vehicles and transport innovation projects are never anywhere near $50 million, let alone $100 million. The $50 million is almost the entire annual allocation to these entire programs, let alone individual projects. This is the point that the government has made and which the opposition has accepted in drafting this alternative amendment. Labor supports the majority of the content in principle but we prefer our amendment.

The transparency provision proposed new (4c) is the same as opposition (5). We prefer that amendment and we will vote accordingly. In relation to Greens amendment (6), Labor does not support it but agrees with its intent. However, the amendment appears to duplicate other provisions and is not clearly drafted. Labor has an alternative amendment relating to Infrastructure Australia's assessments or projects which it will support.
Senator JOHNSTON (Western Australia—Minister for Defence) (10:11): As is my practice, I would like to commence by setting out what the government's voting intentions are. I am very pleased to hear that the opposition are opposing the Greens amendments (5) and (6) on sheet 7495. The bad news is that opposition amendments (5) and (7) will also be opposed by the government.

In my summing-up, I think I set out the significance of why we are opposed to that, and Senator Cameron has gone a long way towards setting out very good reasons why Greens amendment (5) should be opposed. The amendments require the minister—in talking about the broad thrust of all of the amendments, (5) and (7) of the opposition's also—to consult with Infrastructure Australia prior to approving a project under the act, including Infrastructure Australia providing an evaluation for projects with a capital expenditure of $100 million or more. The evaluation is to include a cost-benefit analysis of the program.

Interestingly, the Infrastructure Australia Amendment Bill, recently passed, had a mechanism that would have enabled Infrastructure Australia to provide advice on projects over the $100 million threshold, but the amendments moved by the opposition and the Greens actually delete it. They did not want the minister to have directional powers over Infrastructure Australia. Yet, in order to achieve the outcome that they want here, the opposition and the Greens require the minister to direct Infrastructure Australia to give him information.

We need to be clear—either it is acceptable for the minister to direct Infrastructure Australia or it is not. The amendments that are being proposed here require the minister to direct Infrastructure Australia. Having said that and having spelt out the reasons for our opposition, I confirm again that we will be opposed to each of these Greens amendments as similar as they are to opposition amendments (5) and (7) on sheet 7477.

Senator RICE (Victoria) (10:13): I had a question regarding this for Senator Johnston. In terms of the cost-benefit analysis and the inclusion of that in the Infrastructure Australia Amendment Bill—given the importance of the cost-benefit analysis, the commitment to the cost-benefit analysis for projects over $100 million, what really is the problem with including it in this bill? The Land Transport Infrastructure Amendment Bill is an overarching bill pulling together funding for transport. I really cannot see the problem of including the cost-benefit analysis in this bill. It really seems to fit here and this is where it belongs.

Senator JOHNSTON (Western Australia—Minister for Defence) (10:14): It is in the Infrastructure Australia Act, where it should be. It was part of an election promise to do that. It is not relevant to what this bill seeks to do, as I attempted to set out in my summing up with respect to the second reading debate.

The TEMPORARY CHAIRMAN (Senator Whish-Wilson): The question is that amendments (5) and (6) be agreed to.

Question negatived.

The TEMPORARY CHAIRMAN: Senator Rice, are you interested in moving amendment (7), to schedule 1, item 20?

Senator CAMERON (New South Wales) (10:16): There has been some unofficial discussions between the opposition and the Greens, and I am sure that the government would understand: what we were looking at doing was maybe continuing to deal with the program as
outlined. But we would have no problem if the chair felt that it would assist the process to deal with this issue now.

The TEMPORARY CHAIRMAN: As the chamber chooses.

Senator RICE (Victoria) (10:17): I move amendment (7) on sheet 7495:

Schedule 1, item 20, page 9 (line 9), omit "or safety", substitute "-, safety, integration or environmental sustainability".

This amendment incorporates into the purposes of what is to be funded whether it is appropriate to approve a project. There is a whole list of criteria currently in the bill, matters to which the minister may have regard in deciding whether it is appropriate to approve a project as an investment project. One of them, in the existing proposed bill, is the extent to which the project would improve the efficiency, security or safety of transport operations. This amendment would change that so that it became 'efficiency, security, safety, integration of environmental sustainability' of transport operations—so, including the terms 'integration' and 'environmental sustainability'.

We think this would bring it into line with what is basically standard practice across the country and would reflect all economic, social and environmental criteria. For example, the Victorian Transport Integration Act has a vision statement that says that the aspiration of Victorians for an integrated and sustainable transport system is that it contributes to an inclusive, prosperous and environmentally responsible state. I think including those things—transport integration, making sure that our transport systems are working effectively together, all supporting each other—is a very important concept when you are talking about what we should be investing in for transport. And environmental sustainability, as part of a trio of looking at environmental sustainability, economic sustainability and social responsibility, really should be there in the purposes for any investment in transport infrastructure.

Senator JOHNSTON (Western Australia—Minister for Defence) (10:19): We are opposed to this amendment—more red tape, more cost, more administrative requirements on government. I take it we are not moving (8), (1) to (4), and (9); we are dealing with just (7) on sheet 7495, in which case: obviously we would want to fully oppose this worthy opposition to support it. But I will leave it to my learned friend across the aisle to understand what that really means in practical terms.

Senator CAMERON (New South Wales) (10:19): That is the nicest thing you have ever said about me! Labor has had some detailed discussion with the Australian Greens about this amendment. We will not support the amendment. We would prefer to add 'integrated' alone, as we consider that environmental sustainability is already adequately covered in the section and is confusing. So, we would prefer opposition amendment (6) on sheet 7477. We believe that the issues the Greens have raised are adequately covered in opposition amendment (6).

Senator RICE (Victoria) (10:20): I am interested to know how Senator Johnston thinks this would be adding to red tape. I cannot see how having overarching criteria of environmental sustainability and integration could possibly be adding to red tape.

Senator JOHNSTON (Western Australia—Minister for Defence) (10:20): We all know that the words 'environmental sustainability' have a common-usage definition but also a legal definition. When you introduce phrases like that into the day-to-day administration of what should be a simple funding regime, as this bill seeks to do, you really do open a bit of a
Pandora's box in terms of administration on the ground and in terms of budgetary positions and compliance issues. These phrases now, rightly or wrongly—and I do not criticise the importance of them—do carry with them some responsibility to get things right. All I am saying is that in this instance this is inappropriate. It makes it more complex to administer. And I do not think that is what we are about.

Senator RICE (Victoria) (10:21): Again, I would have thought that the responsibility to get things right in terms of where you are putting your transport investment dollars is something that any legislation should be doing. So, I wonder what problems the government has with that responsibility to get things right and making sure that the investment in transport is being spent in the most effective way in terms of economic efficiency, environmental sustainability and social issues.

Senator JOHNSTON (Western Australia—Minister for Defence) (10:22): I am advised that in section 11 of the bill says:

The matters to which the Minister may have regard in deciding whether it is appropriate to approve a project as an Investment Project include, but are not limited to, the following matters:

(c) the results of any assessment of the economic, environmental or social costs or benefits of the project;

The point about that is that by injecting this in where you want to do so, I think you are substantially adding a cost burden to the assessment of these programs.

The TEMPORARY CHAIRMAN: The question is that amendment (7) be agreed to.

Question negatived.

Senator CAMERON (New South Wales) (10:23): by leave—I move amendments (5) and (7) together:

(5) Schedule 1, item 14, page 7 (after line 21), after section 4A, insert:

4B Cost benefit analyses to be made public

(1) The Minister must ensure that the following information about a Black Spot Project, Heavy Vehicle Safety and Productivity Project, Investment Project or Transport Development and Innovation Project is made available on the Department's website, if Commonwealth funding is provided for the project:

(a) a description of the project;
(b) when the project is to start and is likely to be completed;
(c) in the case of an Investment Project capital expenditure on which is $100 million or more:
   (i) Infrastructure Australia's evaluation of the project under subsection 17A(2); and
   (ii) any advice given by Infrastructure Australia in relation to the project as mentioned in paragraph 17A(4)(c).

(2) The information must be published no later than 14 days after the Commonwealth first informs a recipient of the funding that Commonwealth funding will be provided for the project.

(7) Schedule 1, item 27, page 10 (lines 4 to 6), omit the item, substitute:

27 Subsections 16(1) and 17(1)

Omit "a Nation Building Program National", substitute "an Investment".
27A At the end of Division 2 of Part 3

Add:

17A Consultation with Infrastructure Australia

(1) This section applies to an Investment Project, if capital expenditure on the project is $100 million or more.

(2) Before the Minister approves the provision of Commonwealth funding for the project, the Minister must require Infrastructure Australia to give to the Minister an evaluation of the project so that the Minister can decide whether to approve the project.

(3) Infrastructure Australia's evaluation of the project must:

(a) contain a cost benefit analysis of the project; and

(b) specify the priority that Infrastructure Australia would give the project in relation to priorities specified in its current Infrastructure Plan; and

(c) set out any other matter that Infrastructure Australia considers relevant to the project.

(4) In determining whether to approve the provision of Commonwealth funding for the project, the Minister must have regard to:

(a) Infrastructure Priority Lists and Infrastructure Plans developed by Infrastructure Australia under the Infrastructure Australia Act 2008 to the extent relevant to the project; and

(b) Infrastructure Australia's evaluation of the project under subsection (2); and

(c) any other advice given by Infrastructure Australia that relates to the project.

(5) Subsection (4) does not limit the matters to which the Minister may have regard in determining whether to approve the provision of Commonwealth funding for the project.

27B Subsection 18(1)

Omit "a Nation Building Program National", substitute "an Investment".

Opposition amendments (5) and (7) go to amend the issue of prior consultation with the experts at Infrastructure Australia. It is about transparency of advice to government. We believe this is an important element that is central to the much-called-for proper governance in project selection. The Land Transport Infrastructure Act is the sole enabling act that governs the terms under which the infrastructure minister can authorise expenditure of Commonwealth funds on road and rail projects. No other act does this—certainly not the Infrastructure Australia Act, which has a different purpose.

The Infrastructure Australia Act establishes a body of experts who provide advice to government on infrastructure policy and projects. Infrastructure Australia looks at energy and water as well. It looks at best practice project procurement, it looks at what the nation lacks and suggests what it needs, and it flags future needs, assesses project value and flags emerging issues in the sector. It primarily has a strategic focus.

We believe this is an appropriate amendment. There is no reason to expect that a government seeking to amend the act will return to this parliament in the next six years. This is the only time the Senate will have a certain chance to ensure that ministers must seek expert advice from Infrastructure Australia before spending on road and rail projects valued at more than $100 million.

Item seven requires the minister to require an evaluation by Infrastructure Australia prior to approving funds for an infrastructure investment project valued at more than $100 million. Such an evaluation needs to include a cost-benefit analysis, Infrastructure Australia's view on
project priority and other views Infrastructure Australia considers relevant. Item five provides that if the project is funded the evaluation must be published on the department's website for all taxpayers to see, within 14 days of notice of funding. The amendment is consistent with the Productivity Commission's call for much-improved infrastructure projects selection, assessment and transparency.

These amendments implement explicit coalition election policy. The coalition had policy about these issues—that is, transparency and cost-benefit analyses. We want to ensure that that promise is not broken, that it does not become another broken government promise. It certainly is about ensuring we do not have the pork-barrelling that has been used in the past by the coalition, using scarce taxpayers money.

This aligns with the government's election commitments on infrastructure as elucidated in the coalition's policy to deliver the infrastructure for the 21st century. What it says in the coalition policy is that to ensure more rigorous, transparent assessment of taxpayer-funded projects we will require all infrastructure projects worth more than $100 million to undergo a cost-benefit analysis. Labor's amendment here does nothing more than implement the exact commitment the coalition made to the Australian people at last year's election. We would expect the coalition to abide by that election promise and support these amendments.

Senator JOHNSTON (Western Australia—Minister for Defence) (10:27): This amendment purports to give Infrastructure Australia powers to evaluate specific projects that are not appropriate for inclusion in this bill. This is not the enabling legislation for Infrastructure Australia's functions. The Infrastructure Australia legislation has a section on responsibilities, which Labor and the Greens recently passed. Now they wish to make what appears to the government to be a back-door amendment to Infrastructure Australia's powers and, interestingly, to provide the minister with powers of direction over Infrastructure Australia. The opposition should acknowledge that the heading should say 'Ministerial Directions over Infrastructure Australia', because that is exactly what this amendment is seeking to achieve. It is terribly unclear, may I say, in furtherance of what I have already said, what matters should be included in this evaluation that the opposition is proposing.

The provision would need to prescribe the matters that must be covered in an evaluation, as those matters are not specified in the Infrastructure Australia Act, for the purposes of the general evaluation function—that is, it needs to be made clear what is the intended relationship with the scheme for evaluations under the Infrastructure Australia Act. This amendment does not even go close to doing anything like that. So it is inappropriate that any provisions purporting to give Infrastructure Australia power should be provided for in this bill, which has a completely different purpose, as I have sought to establish.

The correct place for provisions relating to Infrastructure Australia functions and powers is in its own enabling legislation. The opposition stated that it wishes the government to stand by its election commitment, and has repeated that again this morning, and on Infrastructure Australia assessing proposals of over $100 million. To ensure the government does this, it proposed amendments to the Land Transport Infrastructure Amendment Bill 2014. The government said:
The government will require all Commonwealth-funded projects worth more than $100 million to undergo a cost-benefit analysis by Infrastructure Australia to ensure the best use of available taxpayer monies.

We will require Infrastructure Australia to publish justifications for all its project recommendations. That is what we promised to the people at the last election, and we stand by that.

It is important that this bill not be further delayed by the undermining tactics of this amendment. The opposition had the opportunity to include these changes and those relating to the heavy vehicle program when in government. The question must be asked: it was just 12 months ago that the opposition had the capacity to make these amendments to this bill, so why did they not do so?

Under the former minister, Infrastructure Australia had no independence and simply prioritised projects based on how developed a business case was and not on whether it had any sustainable merit. The former government did not apply this government's level of transparency to their investments. There is no better example than that there was no cost-benefit analysis done for the NBN, the biggest single infrastructure project in Australia's history. After designing their plans for the NBN on the back of a beer coaster, Labor initially told us that the NBN would cost $43 billion and then revised it up to $44 billion. But the NBN strategic review, released in December last year, showed that the network would actually cost $73 billion.

Let's be very clear: we do not want to hold up money, vital resources and funding from going to local governments any longer. Let's just let this bill do what it clearly sets out to do, and that is to fund the Roads to Recovery program.

Senator CAMERON (New South Wales) (10:31): I have to respond to some of the issues that Senator Johnston has raised. First of all, let's be clear about the delays to this bill. The government itself delayed this bill coming to the Senate for 155 days. The bill passed the lower house on 24 March and it was not brought here until yesterday. So there was a delay of 155 days that the government itself imposed on this bill. Do not come here pontificating about delays when it sat there for 155 days.

Again I say that the government have made a commitment to the public for accountability and cost-benefit analyses. This is about accountability, cost-benefit analyses and holding the government to their election promise. If you do not support this then you can add this to the vast number of premises that you have trashed since you have come to government.

Senator JOHNSTON (Western Australia—Minister for Defence) (10:33): I thank the senator for his contribution. The first fact that all of those listening to this debate need to understand is that in the House of Representatives the Labor Party opposition voted against the bill. The Labor Party voted not to give vital money for the Roads to Recovery program to local government. They voted against it. The reason this legislation is here is that, when in government, the Labor Party sunsetted the provision of funding to local government. They put the booby-trap in the legislation when they were in power, clearly anticipating they would be where they are now. The fact is that we need to get this funding to local government. Let's get on with it.

Senator CAMERON (New South Wales) (10:33): Again, I cannot understand where the government are going on this. It is clear that once this bill is passed it does not have to come
back here for at least six years. It does not have to come back here again for the next two half-
Senates. This is something that is simply holding the government to account for its election
promises. It is about accountability. It is not about obstructionism from anyone. We are
prepared to accept the bulk of this bill without amendment because it ensures that we have
proper land transport infrastructure projects being brought forward. But they can only be
brought forward if there is accountability and transparency. That is a promise this government
made when it went to the election. That is what this amendment delivers on. It is about
accountability. It is about transparency.

We know the history of the coalition in government. We know that they always have to
have a leash on National Party projects that are simply not sustainable, that are about pork-
barreling and that deliver nothing but an election boost for the local National Party member.
We want infrastructure to be a nationally important issue. Labor in government did more than
any other government on infrastructure spending and infrastructure support. We have never
had a history of being obstructionist. We are not being obstructionist on this; we simply want
your promise kept—the promise that you would be accountable and transparent. That is what
this is about, not delay.

Senator JOHNSTON (Western Australia—Minister for Defence) (10:36): We need to
underline the fact that we promised and are committed to ensuring scrutiny of projects above
$100 million. Infrastructure Australia, under a different legislative framework, is already
getting on with the job. To be clear, we will introduce amendments next week—and I am on
the record now for good reason—to the Infrastructure Australia Act which will increase the
level of transparency, as we said we would. In this context, we said we would get
Infrastructure Australia to provide justification for its advice in a transparent, open and visible
way—and we will, as we promised.

Senator CAMERON (New South Wales) (10:36): With the greatest respect, Senator
Johnston, this is a con job. We have just outlined is an absolute con job. This act is where
the money is spent. This act is where you should be accountable. This does not have to
come back again for six years, and there will be no arguments about not moving forward on
key projects, provided they are accountable, provided a cost-benefit analysis has been done,
provided they are transparent. To run what you have just run is a false argument. It is taking
people up a blind alley. This is where the action is and this is where we should make the
amendments to ensure your accountability. What we as Labor say is that if we do not get it
here than we have lost accountability on the coalition. That would be a national disaster.

Senator JOHNSTON (Western Australia—Minister for Defence) (10:38): I simply
remind the chamber that these are amendments that the Labor Party did not put into their own
legislation. They had the chance to do that. What is being proposed simply stands on the hose
of $2.1 billion to local government.

The CHAIRMAN: The question is that amendments (5) and (7), moved by Senator
Cameron, be agreed to.
The committee divided. [10:43]
(The Chairman—Senator Marshall)

Ayes ......................32
Noes ......................34
Majority ...............2

AYES

Bilyk, CL (teller) ..........Brown, CL
Bullock, J.W. .............Cameron, DN
Dastyari, S ...............Di Natale, R
Faulkner, J ...............Gallacher, AM
Hanson-Young, SC ..........Ketter, CR
Leyonhjelm, DE ..........Ludlam, S
Ludwig, JW ...............Lundy, KA
Marshall, GM .............McEwen, A
McLucas, J ...............Milne, C
Moore, CM .................O’Neill, DM
Peris, N ..................Polley, H
Rhiannon, L ..............Rice, J
Siewert, R ................Singh, LM
Sterle, G .................Waters, LJ
Whish-Wilson, PS ..........Wong, P
Wright, PL .................Xenophon, N

NOES

Back, CJ ..................Bernardi, C
Birmingham, SJ ..........Brands, GH
Bushby, DC (teller) ....Canavan, M.J.
Colbeck, R ...............Day, R.J.
Edwards, S ...............Fawcett, DJ
Fierravanti-Wells, C ....Fifield, MP
Heffernan, W ............Johnston, D
Lambie, J .................Lazarus, GP
Macdonald, ID ..........Madigan, JJ
Mason, B .................McGrath, J
McKenzie, B .............Muir, R
Nash, F ..................O’Sullivan, B
Parry, S ..................Payne, MA
Reynolds, L ..........Ronaldson, M
Ruston, A .................Seselja, Z
Sinodinos, A ..........Smith, D
Wang, Z ..................Williams, JR

PAIRS

Carr, KJ ..................Ryan, SM
Collins, JMA ..........Cormann, M
Conroy, SM ..............Cash, MC
Lines, S .................Abetz, E
Urquhart, AE ..........Scullion, NG
Question negatived.

Senator CAMERON (New South Wales) (10:47): by leave—I move opposition amendment (6) on sheet 7477 as revised:

(6) Schedule 1, item 20, page 9 (line 8), after “efficiency,”, insert “integration,.”

This is a minor amendment to the matters that the minister may have regard to in deciding to approve an investment project. It will add an integration of transport operations as a factor in approving transport infrastructure projects. We acknowledge Senator Rice’s role in this amendment and we believe this amendment improves the criteria without complicating it or confusing it. We prefer this to the amendment that the Australian Greens moved on amendment (7).

The TEMPORARY CHAIRMAN: The question is that amendment (6) moved by Senator Cameron on sheet 7477 revised be agreed to.

Question agreed to.

Senator CAMERON (New South Wales) (10:49): by leave—I move amendment (8), amendments (1) to (4) and amendment (9) on sheet 7495 together:

(8) Schedule 1, page 11 (after line 29), after item 38, insert:

38A After Part 7

Insert:

Part 7A—Heavy Vehicle Safety and Productivity Projects

Division 1—Approval of Heavy Vehicle Safety and Productivity Projects

86A What is a Heavy Vehicle Safety and Productivity Project?

A Heavy Vehicle Safety and Productivity Project is a project for which an approval by the Minister under subsection 86B(1) is in force.

86B Approval of Heavy Vehicle Safety and Productivity Projects

(1) The Minister may, in writing, approve a project as a Heavy Vehicle Safety and Productivity Project if, and only if:

(a) the Minister is satisfied that the project is eligible for approval (see section 86C); and

(b) the Minister considers that it is appropriate to approve the project (see section 86D).

(2) An instrument approving a project is not a legislative instrument for the purposes of the Legislative Instruments Act 2003.

86C What projects are eligible for approval?

A project is eligible for approval as a Heavy Vehicle Safety and Productivity Project if the project aims:

(a) to reduce the number of road accidents involving heavy vehicles, or the number of accidents relating to the loading or unloading of heavy vehicles in livestock transport operations; or

(b) to increase heavy vehicle productivity;

including by any of the following means:

(c) targeting driver fatigue;

(d) improving the provision of heavy vehicle rest areas on key interstate routes;

(e) providing heavy vehicle parking/decoupling areas and facilities in outer urban/regional areas;

(f) trialling technologies;
(g) improving design and management of roads;

Note: Roads includes bridges associated with roads (see section 4).

(h) facilitating innovation to improve Heavy Vehicle Safety and Productivity Projects.

86D Is it appropriate to approve a project?

The matters to which the Minister may have regard in deciding whether it is appropriate to approve a project as a Heavy Vehicle Safety and Productivity Project include, but are not limited to, the following matters:

(a) the results of any assessment of the safety benefits, or the productivity benefits, and the costs of the project;

(b) the results of any research conducted in relation to the project;

(c) the extent to which persons other than the Commonwealth propose to contribute funding to the project.

86E Submission of particulars of projects

(1) The Minister may invite the submission of particulars of projects for consideration for approval as Heavy Vehicle Safety and Productivity Projects.

(2) An invitation may be given:

(a) to such States or authorities of a State as the Minister considers appropriate; and

(b) by any method that the Minister considers appropriate.

(3) Subject to section 86B, the Minister may approve a project as a Heavy Vehicle Safety and Productivity Project, whether or not particulars of the project were submitted in response to an invitation.

(4) The Minister is not required to consider a project for approval as a Heavy Vehicle Safety and Productivity Project unless such particulars of the project as the Minister requires have been submitted to the Minister.

86F Matters specified in project approval instrument

(1) The project approval instrument for a Heavy Vehicle Safety and Productivity Project must:

(a) identify the project; and

(b) specify the maximum funding amount that the Commonwealth may contribute to the project; and

(c) identify the eligible funding recipient, being a State or authority of a State, to which funding may be paid; and

(d) if the approval is conditional on a funding agreement being entered into with the eligible funding recipient—contain a statement to that effect.

(2) The project approval instrument for a Heavy Vehicle Safety and Productivity Project may exclude one or more specified purposes from being purposes on which funding may be expended.

86G Requirements with which funding agreements must comply

If the project approval instrument for a Heavy Vehicle Safety and Productivity Project states that the approval is conditional on a funding agreement being entered into with the approved funding recipient:

(a) the total amount of funding that the agreement provides for must not exceed the maximum funding amount specified in the project approval instrument; and

(b) the agreement must comply with any other requirements (for example, requirements relating to the inclusion of conditions) specified in the project approval instrument.
86H Variation or revocation of project approval instrument

(1) The Minister may, in writing, vary or revoke the project approval instrument for a Heavy Vehicle Safety and Productivity Project.

(2) A variation may be of a matter dealt with in the project approval instrument before the variation, or to include a new matter in the project approval instrument. The instrument as varied must be consistent with section 86F.

Note: For example, the project approval instrument may be varied to change the eligible funding recipient to which funding will be paid, or to specify a purpose that is excluded from the purposes on which funding may be expended.

(3) If there is a funding agreement with the approved funding recipient, the powers given by subsection (1) must be exercised in accordance with any relevant provisions of the funding agreement.

(4) An instrument varying or revoking the project approval instrument is not a legislative instrument for the purposes of the Legislative Instruments Act 2003.

Division 2—Provision of Commonwealth funding

86J Commonwealth funding for Heavy Vehicle Safety and Productivity Projects

(1) Commonwealth funding for a Heavy Vehicle Safety and Productivity Project may be provided to the approved funding recipient:

(a) in accordance with section 86K; or

(b) if the project approval instrument for the project states that the approval is conditional on a funding agreement being entered into—in accordance with a funding agreement, entered into with the approved funding recipient, that satisfies the requirements of section 86G.

(2) The payments of funding are to be made out of money appropriated by the Parliament.

86K Approval of provision of Commonwealth funding if no funding agreement

(1) The Minister may, in writing, approve the provision of Commonwealth funding for a Heavy Vehicle Safety and Productivity Project to the approved funding recipient. The Minister may, in writing, vary or revoke the approval.

(2) The funding is to be provided in one or more instalments paid to the approved funding recipient. Subject to subsection (3), the amount and timing of an instalment are as determined by the Minister.

(3) The total amount of funding provided for the project to the approved funding recipient must not exceed the maximum funding amount specified in the project approval instrument.

(4) An instrument:

(a) approving the provision of Commonwealth funding, or varying or revoking such an approval; or

(b) determining the amount or timing of an instalment of funding;

is not a legislative instrument for the purposes of the Legislative Instruments Act 2003.

Division 3—Conditions that apply to Commonwealth funding

Subdivision A—Sources of conditions

86L Sources of conditions

(1) The conditions that apply to a payment (the funding payment) of Commonwealth funding for a Heavy Vehicle Safety and Productivity Project (the funded project) to an eligible funding recipient (the funding recipient) are:

(a) the mandatory conditions (see Subdivision B); and

(b) either:
(i) if the funding payment is provided in accordance with section 86K—the conditions (if any) determined under Subdivision C; or

(ii) if the funding payment is provided in accordance with a funding agreement—the conditions specified in the funding agreement.

(2) A funding agreement may specify a condition by applying, adopting or incorporating any matter contained in an instrument or other writing as in force or existing from time to time.

Subdivision B—The mandatory conditions

86M This Subdivision sets out the mandatory conditions

The mandatory conditions are as set out in this Subdivision.

86N Funding payment must be expended on the funded project

The funding payment must be wholly expended on approved purposes in relation to the funded project.

86P Funding recipient must give Minister audited financial statements

For each financial year in which the funding recipient spends or retains any of the funding payment, the funding recipient must give to the Minister as soon as practicable, and in any event within 6 months, after the end of that year:

(a) a written statement as to:

(i) the amount spent by the funding recipient during that year out of the funding payment; and

(ii) the amount retained by the funding recipient out of the funding payment as at the end of that year; and

(b) a report in writing and signed by the appropriate auditor stating whether, in the auditor's opinion:

(i) the statement is based on proper accounts and records; and

(ii) the statement is in agreement with the accounts and records; and

(iii) the expenditure referred to in subparagraph (a)(i) has been on the funded project.

86Q Funding recipient must allow inspections by authorised persons

The funding recipient must, at all reasonable times, permit a person authorised by the Minister:

(a) to inspect any work involved in the carrying out of the funded project; and

(b) to inspect and make copies of any documents relating to the funded project.

86R Funding recipient must provide information on request

The funding recipient must, as and when requested by the Minister, provide information relevant to the progress of the funded project.

86S State or State authority must call for public tenders for certain work

(1) If the funding recipient is a State or an authority of a State, the funding recipient must call for public tenders for all work on the funded project, other than:

(a) work that is maintenance of a road; or

(b) work that is to be carried out by a public utility; or

(c) work that the Minister has, by a written exemption relating to the project, exempted from this condition because, in the Minister's opinion:

(i) the work is urgently required because of an emergency; or

(ii) the work is of such a minor nature that the invitation of tenders for the work would involve undue additional cost; or
(iii) the work is of a kind for which it is not practicable to prepare adequate tender specifications; or

(iv) the work is of a kind for which competitive tenders are unlikely to be received; or

(v) the work will contribute to employment in a region; or

(vi) the cost of the work is less than an amount determined by the Minister by legislative instrument under subsection (4) for the purposes of this subparagraph.

(2) The Minister may, in writing, vary or revoke an exemption referred to in paragraph (1)(c).

(3) An instrument granting, varying or revoking an exemption referred to in paragraph (1)(c) is not a legislative instrument for the purposes of the Legislative Instruments Act 2003.

(4) The Minister may, by legislative instrument, determine an amount for the purposes of subparagraph (1)(c)(vi).

86T State or State authority using funding payment to acquire interest in land—obligation if the interest is sold or disposed of

(1) If:

(a) the funding recipient is a State or an authority of a State; and

(b) the recipient sells or disposes of an interest in land that was acquired using all or part of the funding payment;

the recipient must, subject to subsection (2), pay to the Commonwealth an amount calculated using the formula:

\[
\text{Consideration or value} \times \frac{\text{Commonwealth contribution}}{\text{Acquisition cost}}
\]

where:

- **acquisition cost** means the amount paid by the funding recipient to acquire the interest (but not deducting any other costs associated with that acquisition).

- **Commonwealth contribution** means so much of the funding payment as was used to meet the acquisition cost.

- **consideration or value** means the greater of:

  (a) the consideration received by the funding recipient for the sale or disposal (but not deducting any costs associated with that sale or disposal); and

  (b) the market value of the interest at the time of the sale or disposal.

(2) The funding recipient must, as soon as practicable after selling or disposing of an interest in land that was acquired using all or part of the funding payment, notify the Minister of the sale or disposal.

(3) The funding recipient may instead, with the written approval of the Minister, spend an amount equal to the amount worked out under subsection (1) on approved purposes in relation to another Heavy Vehicle Safety and Productivity Project.

(4) The Minister may, in writing, vary or revoke an approval referred to in subsection (3).

(5) If the funding recipient spends an amount in accordance with subsection (3) on another Heavy Vehicle Safety and Productivity Project, then, for the purposes of the application of this Act in relation to that other project:

(a) the funding recipient is taken to have received a payment of Commonwealth funding in relation to that other project equal to the amount so spent; and

(b) the amount so spent is taken to have been paid out of that payment of Commonwealth funding.
(6) An instrument granting, varying or revoking an approval referred to in subsection (3) is not a legislative instrument for the purposes of the Legislative Instruments Act 2003.

(7) For the purposes of this section, a reference to acquiring an interest in land using all or part of the funding payment includes a reference to compulsorily acquiring an interest in land and using all or part of the funding payment to pay compensation for the acquisition.

86U Amount repayable on breach of condition

(1) If the Minister notifies the funding recipient in writing that the Minister is satisfied that the funding recipient has failed to fulfil any condition that applies to the funding payment (whether that condition is specified in this Subdivision, in a funding agreement or in a determination under Subdivision C) then the funding recipient must repay to the Commonwealth an amount equal to so much of the funding payment as the Minister specifies in the notice.

(2) The Minister may, by notice in writing, vary or revoke a notice given under subsection (1).

(3) If there is a funding agreement with the funding recipient, the powers given to the Minister by subsections (1) and (2) must be exercised in accordance with any relevant provisions of the funding agreement.

(4) A notice under subsection (1), or an instrument varying or revoking such a notice, is not a legislative instrument for the purposes of the Legislative Instruments Act 2003.

Subdivision C—Determination of other conditions if no funding agreement

86V Determination of other conditions if no funding agreement

(1) The Minister may, in writing, determine other conditions that apply to the provision of funding in accordance with section 86K.

(2) The Minister may determine different conditions to apply in different classes of situations.

(3) The Minister may, in writing, vary or revoke conditions determined under subsection (1).

(4) An instrument determining, varying or revoking conditions is a legislative instrument for the purposes of the Legislative Instruments Act 2003, but neither section 42 nor Part 6 of that Act applies to the instrument.

(5) Despite subsection 14(2) of the Legislative Instruments Act 2003, an instrument determining or varying conditions may make provision in relation to a matter by applying, adopting or incorporating any matter contained in an instrument or other writing as in force or existing from time to time.

(1) Schedule 1, item 2, page 3 (after line 17), after paragraph (a) of the definition of approved funding recipient, insert:

(aa) a Heavy Vehicle Safety and Productivity Project;

(2) Schedule 1, item 3, page 3 (after line 26), after paragraph (a) of the definition of approved purposes, insert:

(aa) a Heavy Vehicle Safety and Productivity Project;

(3) Schedule 1, item 8, page 4 (before line 18), before the definition of Infrastructure Project, insert:

Heavy Vehicle Safety and Productivity Project has the meaning given by section 86A.

(4) Schedule 1, item 11, page 5 (after line 16), after paragraph (a) of the definition of project approval instrument, insert:

(aa) in relation to a Heavy Vehicle Safety and Productivity Project—the instrument approving the project under subsection 86B(1); and

(9) Schedule 1, item 46, page 13 (lines 16 and 17), omit the item, substitute:
46 Section 94

Omit "6, 7", substitute "7, 7A".

These are amendments relating to formalisation of the heavy vehicle safety and productivity program. Amendment (8) will elevate this important program and give it the parliamentary approval that it currently lacks. It will ensure that the specific program criteria is oversighted by the parliament, is in legislation and cannot be changed without parliamentary approval. This is an important program that is improving safety, not just for truck drivers but for all road users. The first four of these items add the heavy vehicle safety program to definitions in the act in a manner consistent with the existing program. Item (1) inserts 'heavy vehicle safety program' into the Act's definition of an eligible funding recipient. Item (2) inserts the HVSPP into the Act's definition of approved purposes. Item (3) inserts a definition reference to the HVSPP, and item (4) inserts a reference to the project approval instrument for the HVSPP. Item (8) inserts a new Part 7 (a) to the Act that outlines the essential elements of the HVSPP in a manner consistent with other programs under the Act.

It is important to note that the heavy vehicle amendments moved here are slightly reworked against the amendments moved in the House in March. The opposition listened carefully to the technical points raised by the government in that debate, and we have resolved those points in the amendments moved here today. We trust that the government will acknowledge these changes, rather than raising the same points here, because that would be inaccurate. Specifically, the concerns raised about additional record-keeping being required by funding recipients have been addressed by removing this provision. Conditions of fund payment, auditing and inspection requirements remain as per now with the current requirements reflecting Parts (3) and (6) of the Act, the current source of funding for this program.

Senator JOHNSTON (Western Australia—Minister for Defence) (10:52): I will just respond to Senator Cameron. I take it that by moving amendments (8), (1), (4) and (9) on 7477 the opposition is adopting the Greens amendment? This is very similar to Greens amendments (8), (1), (4) and (9) on 7495. We will be opposing these amendments. They propose a definition for heavy vehicle projects. This provision is totally unnecessary and I do believe that the opposition understands that.

It still insists on eight pages of amendments to provide for a separate section on the Heavy Vehicle Safety and Productivity Program, which is a program that is already provided for under legislation. Creating an entirely new section on heavy vehicle projects duplicates existing provisions in parts 3 and 6 of the current act. Parts 3 and 6 are being combined in this bill to reduce red tape, to reduce duplication and to streamline the operation of the act. But it is important to understand the government sees heavy vehicle administration in public policy as a very important responsibility and an important program. It has committed more funding to that program than ever the opposition did when it was in government.

These amendments create cumbersome, burdensome and expensive red tape. The opposition and their allies in the Greens are about creating regulatory burdens and not reducing them. There is not a regulation that they have ever seen that they did not want to like or add into legislation. That is what they are doing here. This group of amendments does not
value-add one iota in terms of heavy vehicle safety and productivity. It just creates more process and compliance burdens.

Heavy vehicle safety and productivity projects are already catered for in the current legislation. These provisions place additional reporting obligations on funding recipients, on top of the audit and financial reporting already required. Road accident data is already collected by the bureau of infrastructure and regional development, which is a well-respected research organisation. If these amendments were to be supported, funding recipients will have to do all of this work, effectively repeating the data collection that is already taking place. What is the point of that? If the desire is to make mum-and-dad trucking businesses work longer hours for absolutely no benefit, then this should be supported. Please, do not support it. Please, crossbenchers, do not support these amendments. We do not want to increase the burden, particularly to small and medium enterprises and family businesses.

The opposition talks about being committed to productivity, but here we have evidence that what they want to achieve actually heads in the opposite direction, ensuring project proponents are doing the work that is already being done by government. I have heard claims that unless heavy vehicle projects are given their own section in the act there is no guaranteed funding. The opposition has been predictably and habitually misleading in dealing with this bill, providing crossbenchers with the string of erroneous so-called facts on the bill. The facts are these. This bill is about a very minor amendment to a very successful act; extending—as I have said on several occasions—much-needed funding to the Roads to Recovery program; changing the name of the act; and, reducing red tape. It is very, very simple.

The Greens and the opposition have colluded on these pointless amendments to jam up the operation of the progress of this vital funding. I have no doubt the crossbenchers are somewhat drawn in two different directions, and, as time goes by, they are coming to grips with a multitude of legislation and process. I want them to be very, very careful that what is happening here is understood by them. This bill is simple. It is about funding local government. What is being sought in these particular amendments, with respect to the heavy vehicle program, are entirely pointless and misleading.

To ensure that the program would receive funding under legislation, all Mr Albanese needed to do was to amend the definition of ‘road’ in this act and that is exactly what he did. In 2008, he introduced the AusLink (National Land Transport) Amendment Bill to add to the definition of ‘road’ in section 4. I quote:

(va) a facility off the road used by heavy vehicles in connection with travel on the road (for example, a rest area or weigh station);

So what this amendment seeks to do has been done. Mr Albanese knew that it was not necessary to include it in a full, separate section. It was necessary then and it clearly is not necessary now.

The government is committed to a number of other programs that are not provided separate legislation or status in the legislation. If the heavy vehicle program were to be included, then, for consistency, and to ensure no doubt about the status of those other programs, we would probably also need to include them in the legislation. That is the incongruous nature of these misconceived amendments. This could potentially add up to 40 pages of unnecessary process to the bill. The government is committed to reducing red tape, not creating it. These other programs include the Bridges Renewal Programme, the managed motorways program, the
regional roads program and the national highways program. Not one of these is named in the legislation.

Simply naming a program in legislation does not guarantee its funding. Funding is appropriated by a parliament through the budget process. In this case, we are absolutely committed to funding projects under the heavy vehicle program and money was appropriated for that program by the parliament in July. If the opposition amendments were to be agreed to, funding to this program would be held up because the guidelines under which applicants are applying would be inconsistent with the legislation. Applications for the fourth round close on 28 August—that is, today.

Changing the status of this funding round will create uncertainty for the applicants as well as waste time and money for those applicants, for local and state governments and for our hardworking officers inside the federal government. Having said that, I hope I have established, particularly with the crossbenchers, that these amendments are completely counterproductive to common sense and to achieving what the bill achieves—that is, the funding of local governments for the Roads to Recovery program.

**Senator Cameron** (New South Wales) (11:00): I have to say that every time I hear the government talk about removal of red tape the warning signs go up. For this government the removal of red tape is to remove protections—remove protections for working people and remove checks and balances on the operation of businesses that need to be checked and balanced. Red tape to this government is simply about removing a role for government and letting the market rip. That is the removal of red tape for this government.

This will not make the bill cumbersome. It will not make it burdensome. The paperwork issue was addressed. What we have here is Senator Johnston basically reading the same speech that was made in the lower house, the same speech that was made in the other place, even though section 86R has been removed.

**Senator Johnston:** We're consistent.

**Senator Cameron:** No, Senator Johnston, it is not about consistency; it is about sloppiness, because you have not dealt with this issue. The issue of 86R has been removed. This is about ensuring that we elevate this important program and give it parliamentary approval. It is about ensuring that we have oversight. It is about improving safety not just for the truck drivers but for all road users. If you want to abandon the safety of truck drivers and the safety of road users on the ideological agenda of this government to remove red tape and to remove protections then that will be a very detrimental situation.

**Senator Rice** (Victoria) (11:02): The Greens will be supporting the opposition's amendments, although we feel that our amendments, which were a slight variation on them, had better wording. But, given that the opposition's amendments are being considered first, we will be supporting them. Elevating the importance of heavy vehicle productivity, particularly heavy vehicle safety, is critical and really deserves to be in this bill in order to give it the emphasis that it requires.

I do have a general question to Senator Johnston, which I probably should have asked earlier. It is of relevance to funding for heavy vehicle projects, as it is of relevance to funding for other road projects. I refer to a comment that Senator Lambie was reported as saying on radio yesterday morning—that, in the negotiations with the government over this bill, she had
secured an extra $200 million for roads in the west of her state as part of supporting this bill. I want to ask Senator Johnston whether that in fact was the case.

Senator JOHNSTON (Western Australia—Minister for Defence) (11:03): I confirm that the government is looking at all manner of representations and proposals from senators and members, but with respect to this legislation we have made no commitments whatsoever.

Senator CAMERON (New South Wales) (11:03): Senator Johnston, you say you have made no commitments. Have you been engaged in any discussions with PUP in relation to a $200 million investment in roads in Tasmania? Have you given any hope that $200 million would be invested in Tasmania to buy votes on this bill?

Senator JOHNSTON (Western Australia—Minister for Defence) (11:04): No, I have not.

The CHAIRMAN: The question is that the amendments on sheet 7477 revised standing in the name of Senator Cameron be agreed to.

The committee divided. [11:08]
(The Chairman—Senator Marshall)

Ayes.................31
Noes...................33
Majority.............2

AYES

Bilyk, CL (teller)
Brown, CL
Bullock, J.W.
Cameron, DN
Collins, JMA
Dastyari, S
Di Natale, R
Faulkner, J
Gallacher, AM
Hanson-Young, SC
Ketter, CR
Leyonhjelm, DE
Lines, S
Ludlam, S
Ludwig, JW
Lundy, KA
Marshall, GM
McEwen, A
McLucas, J
O’Neill, DM
Peris, N
Polley, H
Rhiannon, L
Rice, J
Siewert, R
Singh, LM
Sterle, G
Urquhart, AE
Whish-Wilson, PS
Wright, PL
Xenophon, N

NOES

Bernardi, C
Birmingham, SJ
Bushby, DC (teller)
Canavan, M.J.
Colbeck, R
Day, R.J.
Edwards, S
Fawcett, DJ
Fierravanti-Wells, C
Fiifield, MP
Heffernan, W
Johnston, D
Lambie, J
Lazarus, GP
Macdonald, ID
Madigan, JJ
Mason, B
McGrath, J
McKenzie, B
Muir, R
Nash, F
O’Sullivan, B

CHAMBER
NOES
Parry, S  Payne, MA
Reynolds, L  Ronaldson, M
Ruston, A  Scullion, NG
Seselja, Z  Sinodinos, A
Smith, D  Wang, Z
Williams, JR

PAIRS
Carr, KJ  Ryan, SM
Conroy, SM  Cash, MC
Milne, C  Abetz, E
Moore, CM  Cormann, M
Waters, LJ  Brandis, GH
Wong, P  Back, CJ

Question negatived.

The CHAIRMAN: I am advised that the Australian Greens do not intend to pursue their amendments.
Bill, as amended, agreed to.
Bill reported with an amendment; report adopted.

Third Reading

Senator JOHNSTON (Western Australia—Minister for Defence) (11:12): I move:
That this bill be now read a third time.

Senator CAMERON (New South Wales) (11:12): We support this motion. We support Roads to Recovery and we support infrastructure development. We have not been obstructive on this bill at all; we have been constructive. We hope that the government meets the commitment that it gave to the Australian public about accountability and transparency and stops using the argument of red tape to diminish the proper role for government in the economy.

Senator JOHNSTON (Western Australia—Minister for Defence) (11:13): I thank Senator Cameron for his assistance in the passing of this important legislation.
Question agreed to.
Bill read a third time.

Environment Protection and Biodiversity Conservation Amendment Bill 2014
Second Reading

Debate resumed on the motion:
That this bill be now read a second time.

Senator LUDWIG (Queensland) (11:14): Labor stands for the protection of our oceans, we stand for the rights of recreational fishers and we stand for business certainty. Labor has a strong track record of respecting our oceans and all its users and we have a strong track record of basing our decisions on the science. In 2012, a private company sought to introduce a
massive supertrawler vessel to Australian waters. The Labor government acted to provide
certainty and to ensure the science was in place to support decisions on ocean use. We
introduced tough new measures that required proper scientific assessments to be made by an
expert panel. That was the responsible thing to do.

Almost two years later, however, our oceans are vulnerable again. The tough powers that
Labor introduced have now lapsed. The Abbott government has had almost 12 months in
office to do something to address this gap in our laws. They have had time to boost our ocean
defences against the threat of new supertrawler vessels. Instead they have done nothing. This
private senator's bill, the Environment Protection and Biodiversity Conservation Amendment
Bill 2014, has been in the Senate for months and they have not even taken the hint to get on
with protecting our oceans. This legislation today does that work for them.

We all remember that, when Labor introduced the tough sanctions against the supertrawler
in 2012, the Liberals and Nationals voted against the then government's measures. Thirty-
three members of the House of Representatives and the Senate spoke against Labor's
measures to stop the supertrawler—all of them Liberals or National Party members. Deep
down the Liberals and the Nationals have always supported removing the vital protections of
our oceans—that it is in their DNA is unquestionable. As Hobart's Mercury reported on 9
September 2012:

Tasmanian Liberal senator Richard Colbeck told the crowd he supported the super trawler.
That is why this government has not acted to bring back strict protections against
supertrawlers. They have been hoping that any new vessel would appear unobtrusively from
over the horizon and quietly start fishing in Australian waters without any scientific checks or
balances.

Over the last 12 months, the Abbott government has been breaking promises, hurting low-
and middle-income earners and being incompetent to boot. The Australian people got their
first whiff of the twisted priorities of this government with the announcement of the
reintroduction of—would you believe it—knights and dames. That pure farce has now turned
into budget pain. All the while, the Labor Party has been working in the national interest. We
have been standing up for jobs, we have been supporting a plan for Australia's future and we
are standing up for the environment and our oceans.

The Prime Minister is now desperately trying to rewrite history. Despite 33 members of the
coalition speaking against Labor's plan to stop the supertrawler, the Prime Minister has tried
to spin it—saying that he supported the ban all along. He is the weathervane of Australian
politics. Before the election, he voted to let the supertrawler enter Australian waters
unchecked. After the election, he has changed his position, just as before the election he hid
the worst of his budget cuts and his plans to destroy Australian jobs. Before the election, the
Prime Minister voted to keep the supertrawler here. After the election he said:

It was banned with the support of members on this side of the House. It was banned; it will stay banned.
It is worth saying that again. The Prime Minister said:
It was banned with the support of members on this side of the House.
That is what the Prime Minister said—categorically. It is in Hansard: a blatant mistruth, a
clearly incorrect statement to the House from the Prime Minister.
The government has had months to act and they have done nothing. Only Labor is concerned with our oceans and the users of our oceans. This bill addresses serious concerns about the science and it addresses serious community concerns. If the Prime Minister, the agriculture minister or the parliamentary secretary were serious about protecting our oceans, they would have acted already. I am not precious; they could have picked up my bill and claimed it as their own and got a real win for Australia's oceans. Instead they have done nothing. If you reflect on that, it really makes you wonder whether or not they just like to sit on their hands and do nothing.

The bill I have introduced will restore the tough powers to the Minister for the Environment to act where new types of fishing operations seek to work in Australian waters and where uncertainty exists about their conduct. The environment minister, in consultation with the fisheries minister, will again be able to declare particular methods of fishing and require a scientific assessment to be undertaken for up to two years. That is the sensible way to progress when new fishing methods are proposed. An expert panel will be constituted and will be able to consider the impacts of any new venture that is declared. This will provide the community, recreational fishers and businesses alike with certainty before these declared ventures operate in Australian waters. There will be a proper process whereby the expert panel can call for submissions, look at the scientific evidence and ensure there is proper consultation with all parties and stakeholders in the debate.

It is very important to ensure certainty for all stakeholders, even those who want to introduce the supertrawler. This legislation will establish certainty of process, certainty of consultation, certainty about the expert panel's findings and certainty about the science. This legislation will enable the community to feel assured that they have a clear understanding of what is occurring—because it is surprises that hurt people. Mind you, this government is an expert at surprises that hurt people. So it is not unsurprising to me to find that a government such as this has ignored the science. It has ignored the opportunity to look at how it can fix this issue and, instead, has sat on its hands and let it lapse. But, ultimately, what I think is more galling about all of this is that the Prime Minister stands up and says, 'It has always been banned; it will continue to be banned', yet that was not what he did when he was called to account. When the vote was had in this place, those opposite supported the supertrawler. They opposed our legislation back then and they continue to fudge where their position is.

This bill will give the coalition a clear opportunity to put their position and explain to the parliament where they sit on this matter. It is very important that the people in Tasmania, the people on the east coast of Australia and those along the South Australian bight understand what the process is for a supertrawler should it come over the horizon again. I think this government breeds uncertainty, because it wants to be able to deal with such a situation when it occurs rather than have a clear process in place. This legislation focuses on addressing uncertainty related to so-called 'supertrawler' fishing vessels. Why? Because business requires certainty, the community requires certainty and stakeholders and third parties also require certainty in this debate. People should have the ability to have a say.

In short, this legislation will allow the government of the day to stop new supertrawlers before they come to Australia, just as Labor did when in office. The amendments give the government of the day the power to declare a particular type of fishing activity which has not been used in Australia previously and where some uncertainty exists around it to ensure
proper and thorough expert scientific work is conducted. This has been the case in the past when the government moved to declare the activities that were proposed for the supertrawler known as the FV *Margiris* or, oddly, temporarily, the FV *Abel Tasman*.

This bill will remove a 12-month sunset provision, bringing the new chapter 5B of the Environment Protection and Biodiversity Conservation Act back into effect. By removing division 4 of part 15B, the environment minister's powers to respond to new commercial fishing operations will be restored, as it currently is subject to the sunset clause that is in effect at present. It is sunsetted now. The bill will bring that provision back. This means that there is currently no power under the Environment Protection and Biodiversity Conservation Act for the government to act to declare fishing activities, including supertrawlers. The bill restores the powers still on the statue books—namely the powers to enable the minister for environment (with the agreement of the Commonwealth fisheries minister) to make an interim declaration that a fishing activity is a prohibited 'declared commercial fishing activity' while an expert panel assesses the potential environmental impacts of the activity; to enable the minister for environment (with the agreement of the Commonwealth fisheries minister) to make a final declaration for a period no longer than 24 months, that a fishing activity is a prohibited 'declared commercial fishing activity'; to provide for the establishment of an expert panel in the case of the making of a final declaration and specify the terms of reference of the panel and its reporting date, with a requirement that a copy of the panel report be made publicly available—because on this side of the chamber we support transparency, openness and accountability; to provide for appropriate procedural fairness protections for 'declaration affected persons'; and to create civil penalty and offence provisions for engaging in a declared commercial fishing activity.

These measures are required to address the risk of new and future supertrawlers or other new methods of commercial activity that have not previously been used in Australia. It is a precautionary approach. It will better allow community and environmental groups, together with business, to work with a scientific expert panel to assess the true impacts of new and large-scale fishing operations.

I would add as a note to these amendments that, if passed, it would be prudent for the government to take other actions to improve the management of new and proposed fishing activities. The Department of the Environment and the Australian Fisheries Management Authority should establish protocols to better communicate between these two agencies in the operation of the act. It would be a sensible reform and would be able to be done at the agency level. I am surprised that they have not already undertaken that work. Perhaps we will hear from the coalition that they have already started to do that work—but I would be surprised if they had. This is a coalition that does not act easily or seek easy solutions.

I understand, of course, there is a view that it would be preferable to just ban supertrawlers outright based on their class of vessel. I do not hold this view. The approach I have proposed is a logical, sensible, science based approach that treats each applicant on its merits and on the science. To do otherwise would be anti business and anti science. For that reason, I suspect the Greens party may take a stricter view than I have taken, but I will wait to hear their view on this. Under this bill, where the science goes so too do the decisions of the agencies.

Australia has some of the best managed fisheries in the world. There is, however, a gap in the system in considering the powers of the environment and fisheries ministers to consider
new commercial fishing vessels before they arrive and begin to fish. Given the government has failed to act, it is sensible for these powers to be restored. Labor is standing up for the oceans, recreational fishers and local businesses. I commend the bill to the Senate.

Senator McKENZIE (Victoria) (11:29): I rise to put on the record the government's opposition to the Environment Protection and Biodiversity Conservation Amendment Bill, proposed by Labor, and the Greens amendments to the bill. Australia boasts a globally benchmarked and recognised fishing industry where policies have been based on scientific research and not the whims of political interest groups. The bill before us does little to stop or ban supertrawlers from applying to operate in Australian fisheries. We believe we need a long-term, more permanent solution to ensure that our fishing industry is sustainable for years to come and that we do not follow the path taken by other nations which has led to unviable, unsustainable fishing industries. The legislation covers only two years, and we want a long-term solution.

What we are seeing from the Labor Party and the Greens is proof of yet another dysfunctional Labor policy that undermines the Australian Fisheries Management Authority. Australia's fishing industry is not to be laughed at—it is a significant contributor to communities and to economic growth, and it is an industry we perform very well in. It extends up to 200 nautical miles out to sea, and Australia's commercial fishing and aquaculture industry is worth over $2 billion annually and employs around 11,600 people—7,300 through direct employment and 4,300 through indirect employment. It is a vital natural resource and one we are committed to maintaining. It is a natural resource that needs to be managed appropriately so it can be enjoyed and used in a sustainable manner. That is what this government is committed to doing.

As Simone Weil said, 'attachment is the great fabricator of illusions; reality can be attained only by someone who is detached.' It is this detachment that we believe ensures AFMA is the best body to help us come to terms with the reality of our fishing industry. Consulting with detached independent experts provides us with this sense of reality. We are waiting to consult the expert panel appointed to assess the impacts of the activities covered by the first declaration, and it is due to finalise its report by 22 October 2014. Rather than waiting for that report to come before us to inform further action, if it is required, we are once again hurrying towards ill-informed legislation seeking to fix a problem that does not exist. To inform its assessment the expert panel met with stakeholders in Hobart on 2 May 2014. A panel for the second declaration is yet to be appointed.

We are not being pressured by interest groups like GetUp! to stop supertrawlers—we are looking to a viable and long-term option that has been scientifically proven and assessed. Unlike those opposite, who seek to use scientists for their political gain, we are committed to applying true scientific principles to our decision making in this area, as indeed we do in all areas of environmental interest, so we can keep our fisheries management systems world-class and ensure that fishing can be sustained. Let us face it, most of us are not vegans; most of us are not vegetarians. I would much prefer to go into Coles and Woolworths and IGA, and indeed ALDI on occasion, and purchase seafood which is the product of Australia. When I see 'Product of Australia', I know that seafood is harvested from our oceans in a sustainable manner. When I see 'Product of Vietnam' or 'Product of Thailand' or 'Product of Indonesia' on the seafood that I might be choosing to feed my family and friends, I cannot be confident that
that product is being harvested in a sustainable manner that will ensure that generations to
come can eat this very healthy food source. So we are not being pressured by interest groups
like GetUp!.

The government works closely with AFMA to monitor how fisheries are managed. It is
because we have confidence in AFMA that our fishing industry ranks as one of the best in the
world—we are committed to getting it right and we are committed to using science to inform
our policy decisions. These are the expert scientists, with extensive experience and PhDs in
environmental science and management. It is an authority that has developed fishery
management arrangements to meet government policies and to ensure fisheries are
sustainable—not like in other nations, where the regulators just go and do what they are told
to do by the government, this is a live dialogue between government and AFMA about what
is the best way to proceed in order to meet government policy objectives for fisheries. AFMA
is charged with implementing fisheries management arrangements, monitoring the
compliance of commercial fishing, setting research priorities and arranging research related to
AFMA managed fisheries. It deters noncompliance in domestic fisheries and deters illegal
foreign fishing. It registers commercial fishing entitlements and licenses fishers, develops
management policies and regulations and provides technical input to government policies.
Aside from Senator Scullion, now that Senator Boswell is no longer with us there is very little
fishing expertise in either this chamber or the other chamber. That is why we need to take the
advice of bodies like AFMA.

All these points are highlighted in AFMA's extensive and efficient management policies.
The management plans that are in place in almost all of our Commonwealth managed
fisheries go through a lengthy process of approval. There is a public consultation process in
place, a determination by the AFMA commission and, finally, an approval by the fisheries
minister. This management plan directly outlines the borders and location of a fishery, what
season it can be used, the method of fishing, the level of extraction, bycatch mitigation
methods and even the gear that can be used on boats. The process of managing a fishery is
extensive, very detailed and often costly. However, we do not doubt its worth, as it is based
on sound scientific reasoning and all costs are recovered because of our productive fishing
industry.

We are aware of the concern amongst a range of groups, including the rec fishers, about the
potential impact of supertrawlers on Australia's marine environment, protected species and
local fish stocks, but we are confident that the regulatory framework we have in place—and
indeed our commitment to getting it right as a result of looking further into this issue—will
result in a policy outcome that gets the balance right. It is possible to examine the Southern
and Eastern Scalefish and Shark Fishery, where operators are only allowed a limited amount
of trips and must hold a relevant fishing concession which provides them access to an area in
which to fish, a method by which they are allowed to fish, a boat permit and a relevant quota
holding for that species. These processes are essential, because the SESSF has an estimated
value of production of over $62 million, and we do not want see those viable operators being
unable to do what they do well—which is to catch good fish in a way that ensures ongoing
sustainability so that we can put it on the table.

The coalition is dedicated to listening to the expert in the AFMA about the best ways to
protect our valuable natural resources. In 2007 Minister Abetz, as Minister for Fisheries,
Forestry and Conservation, enacted the Commonwealth harvest strategy, which fisheries like the SESSF must adhere to. The coalition government provided the AFMA with the independence to specify control rules for fishing activity and to monitor and assess the processes involved. The harvest strategy that each fishery must use is based on output controls. This means that we rely on how many fish can be caught sustainably in the area. We rely on the scientific evidence, like the extensive harvest strategies put before us by the fishing industry and the expert scientists, which ensure the best management approach and continued sustainability of Australia's great natural resources.

Despite what the ALP and Greens may say, we want to ensure the sustainability of this industry. We want particular species to be protected and there to be limits on the amount of fish that can be caught. I look to the bycatch reduction policies that are already in place. It is thanks to the coalition that in 2005 the AFMA were put in charge of managing the environmental impacts of fishing, including protected species, and minimising the incentives for discarding certain fish by ensuring that it is factored into the setting of total allowable catch levels. That is something that we did. If you listened to the ALP and Greens, you would think that we wanted a Newfoundlandesque approach to fishing in this nation so that there would be no more cod and Hobart would suddenly be singing the songs that St John's were singing during the 1950s and 1960s as that particular fishing resource was decimated by unsustainable practice. That is not what we want, and that is why for a long period of time various coalition governments have been committed to enacting policies for sustainable fishing practice.

Similarly, we also ensured the AFMA were put in charge of enhancing the monitoring of fishing activity through increased use of vessel monitoring systems, daily reporting, onboard cameras and improved observer coverage. This policy covers fisheries managed by the Commonwealth and represents a significant commitment by the then government and industry to ensure fisheries were managed on an ecologically sustainable basis. We want to ensure that high-risk fish are managed and able to be protected. A bycatch and discard program that the AFMA oversees ensures that all threatened, endangered and protected species are part of an ecological risk assessment which involves heavy consultation with the industry and experts. Even the use of bycatch reduction devices provides high-risk fish with the opportunity to escape in high trawling waters—

Senator Whish-Wilson interjecting

Senator McKENZIE: Really! The coalition and AFMA are determined to protect this industry. It was a complete lack of strong policies such as these that led to the overfishing in Newfoundland, where 40,000 people lost their jobs. That province in Canada has struggled to find an economic basis for their people. So if you think that you have a drain going on in Tasmania, Senator, have a look at Newfoundland and see the migration that occurred once that once-proud industry fished itself out.

We are committed to ensuring that we get the balance right. I believe we have done that. We are looking after the long term of our fishing industry, and protecting high-risk fish is a major priority. AFMA provides us with long-term strategies for effective fishing. The total allowable catch is determined by a commission established by AFMA. The commission consults those with commercial and recreational fishing knowledge, relevant states and bodies, representatives from the environmental and recreational sector and, most importantly,
scientists. Every minute detail of our fishing industry is considered with wide consultation to make the best and most informed decisions possible for the betterment of our fishing industry. The AFMA is an independent body that we as the Commonwealth have confidence in. We allow the employees, who all have lengthy industry experience or environmental science qualifications, to monitor how fishing zones are operating. This ensures that fish are protected and we are provided with a transparent and independent system that has been left to the experts.

What the Labor Party is proposing undermines our fishing system, which is the envy of the world. The sunset clause that Senator Ludwig is presenting detracts all ability from the environment minister to declare any further fishing activities and ensures that he or she must listen to an expert panel. What they fail to recognise is that we already listen to an expert panel of scientists with the best experience to implement these policies. They are proposing to undermine the AFMA and listen to interest groups which have no fishing experience, which do not understand the interplay between industry and the ocean and who are not interested in a sustainable fishing industry. They do not care, and they do not want it to happen.

What they are actually interested in—a little like other groups that the Greens and some in the Labor Party choose to support—are things like the Aussie Farms website. The founder of that particular website has made public his desire to shut down industries that employ hundreds of thousands of Australians who contribute an incredible amount—over 12 per cent—to our GDP. They want those industries closed down. So, we can hide behind this veneer of seeking expert advice and carry on, but the actual intent is to shut industries down that employ Tasmanians, that are actually based on scientific principles and sustainable management practices, that actually provide one of the best food sources to Australians and indeed the world—high in all the good things, low in all the bad things: our fish.

*Senator Whish-Wilson interjecting—*

**Senator McKenzie:** But no: Senator Whish-Wilson would prefer that we have fish available locally that is sourced from Thailand, that is sourced from Vietnam, that is sourced from Indonesia, that is sourced from an array of fishing practices around the world, that is unsustainable.

*Senator Whish-Wilson interjecting—*

**Senator McKenzie:** Guess what, Senator Whish-Wilson? Fish do not understand the boundaries.

*Senator Whish-Wilson interjecting—*

**The Deputy President:** Order! Senator Whish-Wilson, please.

**Senator McKenzie:** Thank you for your protection, Chair. So, what we on this side actually want to see is Tasmanians—and indeed fishing families and the industry right around Australia—having a sustainable future and on the mainland, in our supermarkets, access to a sustainable, ecologically sound food source, as opposed to getting it from somewhere else, because, guess what? We are not giving up eating fish.

But I have completely digressed from my contribution. I shall now return. This sunset clause that Senator Ludwig is presenting removes all ability from the environment minister to declare any further fishing activities and ensures that he or she must listen to the expert panel, which we already have—through the AFMA, through the extensive consultation that has been...
the hallmark of this government in its policy development process and that I am confident continues through our action of government.

The dysfunctional mess that the coalition is trying to clean up can be demonstrated by a colleague of Senator Nash and mine who has since left this place and gone on to what we would call other things in the other place—Barnaby Joyce. He talks about particularly the Greens but also some in the Labor Party being seduced by these activist groups—that it was like the 'X Factor' of politics', that it was like 'dial-a-decision', when he talked about another time that the Greens and the ALP were captured by activist groups, and that was the live cattle decision:

It was like the X Factor of politics. It was like Dial-a-Decision and what we have there has been completely and utterly replicated in what we have here. It is Dial-a-Decision, Twitter politics, Facebook friend politics. But it is also a total and utter insanity.

We had been promised, just a month earlier, by Senator Ludwig that such a brand of politics would not affect him:

As Minister for Fisheries, I will not allow the emotive politics of the Greens political party to run fisheries management policy in this country. We will ensure that the Australian Fisheries Management Authority is independent, that it makes independent decisions based on the science through its expert commissioners and on the facts that are presented to them. They will continue to make decisions based on sound judgement to ensure that fisheries are sustainable and meet all the ecological requirements.

What we have before us today is proof of yet another Labor Party dysfunction. I do not understand why we cannot leave this to the experts, to the minister who relies on that advice. Let's end the dysfunctional politics of the Labor-Greens alliance, ensure that knee-jerk reactions are ignored and that interest groups do not have a greater influence than experts. What we are proposing is sound reasoning, detached from emotion.

Senator WHISH-WILSON (Tasmania) (11:49): What has become very clear here today and for those millions of rec fishermen across this country and people who care about the ocean is that we are back at zero on supertrawlers. Absolutely nothing has changed. The coalition is happy for supertrawlers to come back to Australian waters. The Labor Party have introduced this bill—a bill that does not stop supertrawlers, does not ban supertrawlers. The bill was introduced by the previous minister, who presided over the arrival of the supertrawler and all the fuss that led to the moratorium. And by the way, Senator McKenzie, all the research work you quoted that has been done came about only because of the Greens and the conservation and rec fishing 'special interests', as you call them, in this country.

We have a long way to go. The Borthwick review came about because of this farce around the supertrawler, and it has not proceeded. This sunset clause was supposed to be in place until the work could be done. You have the hypocrisy, Senator McKenzie, to stand here and lecture me and the Greens about science. You have the hypocrisy to lecture us about not listening to the science.

Senator McKenzie interjecting—

Senator WHISH-WILSON: Well, let's talk about the dredging in the Great Barrier Reef. Let's talk about your party full of climate change deniers. Ninety-nine per cent of scientists around the world—

Senator McKenzie interjecting—
The DEPUTY PRESIDENT: Order!

Senator WHISH-WILSON: tell us that we need to take action on global warming. Yet Senator McKenzie's party full of climate change deniers has the audacity, the nerve to lecture the Greens about not listening to scientists. We are the only party that wants to protect the environment in this country. We are the only party that wants to protect the environment.

This bill, if it is passed, will give the environment minister discretion as to whether they will allow supertrawlers to come into this country. This is an environment minister who has allowed dredging in the Great Barrier Reef, who has backflipped and broken promises on the Renewable Energy Target, on a price on carbon, and on his No. 1 darling issue: whaling in the Southern Ocean. Every year Minister Hunt—the same person who will have discretion if this bill gets up—berated and grandstanded against Peter Garrett, around his lack of action on whaling. But what happened when he became the environment minister? He rolled over and had his tummy tickled by the rest of his party room. He did nothing to prevent whaling in the Southern Ocean this summer. So, what is to say that he is going to prevent the arrival of a supertrawler and take action? And, by the way, if he does not, that would be just one of many broken promises from the coalition. I have the quote here from the Prime Minister saying that supertrawlers would be banned, but what Senator McKenzie outlined here today sounded nothing like the coalition were prepared to ban supertrawlers in these waters.

Let us get back to the Labor Party. I sat in this chamber and I debated that more work needed to be done on the science around the Small Pelagic Fishery and the very fishy business of the arrival of this boat, the Margiris, whose name was later changed to Abel Tasman—a very fishy business. It was done through campaigning in Tasmania and around the country—and there is absolutely no doubt that the recreational fishing community in this country and the Greens are not common bedfellows, but we were on this campaign, because the number one issue we both felt needed to be addressed was the issue of local depletion. It was the fact that a supertrawler can sit out to sea for long periods of time, follow large schools of small pelagic fish and deplete areas of fish. As far as I know from asking questions at recent estimates, there still has not been a definition of what constitutes local depletion. The Greens have been very clear in our policy on supertrawlers. We do want to see them banned. Two years ago we proposed an amendment that would have banned supertrawlers, with the onus of proof being on the proponents of new supertrawlers to prove that they would not damage the ocean. We want to see a ban on these boats put in place—

Senator Brandis: Reverse onus of proof!

Senator WHISH-WILSON: —as do millions of Australians, Senator Brandis, through you, Chair. This issue has touched a never like no other environmental issue in recent history in this country. Today it has become very clear, through Senator McKenzie, that the coalition are prepared to let supertrawlers come back into Australian waters.

This bill, if it is passed, gives discretion back to the environment minister. It does not ban supertrawlers, and nor does it stop them. We need to be very clear about that. The reason I raise this issue is that I have seen a number of emails, media releases and even pamphlets mailed in my home state of Tasmania, saying that Labor is banning supertrawlers. Let us be very clear about that—it is not. In fact, based on what Senator Ludwig said earlier, it is doing almost exactly what it did two years ago, when the supertrawler arrived—it is saying, 'We will leave it to the experts. We will leave it to AFMA. We will leave it to the science.' The
problem was that scientific work was not done. Even the resource assessment group, the RAG, at AFMA agreed that not enough scientific work had been done. It was not about the quality of the science that had been done. It was the fact that this fishery, which is highly sensitive to ecosystems, had not been studied for 12 years. That work is being done now, thanks to the Greens, thanks to recreational fishers and thanks to the conservation movement. We pushed and pushed to get that work done. Now, we have the two old parties in this chamber claiming that they have got this work done, and that somehow this is a victory. It is not. The work has not been finished, there is still considerable uncertainty in the science to this point. There is still a very real chance that these large fishing vessels, which have depleted oceans all around the world—no-one disputes that—are going to come back to Australian waters, because we will have an environment minister and a government in charge of policy who brought the supertrawler here in the first place and are very happy to look after their mates by bringing new trawlers to Australian waters, boats that Australians do not want. *(Time expired)*

Debate adjourned.

**PETITIONS**

*The Clerk:* Petitions have been lodged for presentation as follows:

**Halls Creek: Ningkuwum-Ngamayuwu Children and Family Centre**

To the Honourable the President and Members of the Senate in Parliament assembled

The petition of the undersigned shows:

Our deep concern and disappointment at the cessation of funding to the Ningkuwum-Ngamayuwu Children and Family Centre in Halls Creek from COAG's National Partnership Agreement on Indigenous Early Childhood Development at the decision of the Commonwealth Government of Australia.

Your petitioners request that the Senate:

Call on the Government to review the decision to cease funding to important organisations like the Ningkuwum-Ngamayuwu Children and Family Centre in Halls Creek and to assist them with forward financial planning should funding not be available in the immediate future.  

by **Senator Sterle** (from 54 citizens)

Petition received.

**Fitzroy Crossing: Baya Gawiy Buga yani Jandu yani u Centre**

To the Honourable the President and Members of the Senate in Parliament assembled

The petition of the undersigned shows:

Our deep concern and disappointment at the cessation of funding to the Baya Gawiy Buga yani Jandu yani u Centre (Baya Gawiy) in Fitzroy Crossing from COAG's National Partnership Agreement on Indigenous Early Childhood Development at the decision of the Commonwealth Government of Australia.

Your petitioners request that the Senate:

Call on the Government to review the decision to cease funding to important organisations like the Baya Gawiy and to assist them with forward financial planning should funding not be available in the immediate future.

by **Senator Sterle** (from 364 citizens)
Petition received.

Federal Government's Income Management system
To the Honourable the President and Members of the Senate in Parliament assembled
We the undersigned are opposed to the Federal Government's Income Management system which quarantines between 50-70 per cent of Centrelink payments so they can only be used to buy 'priority items' at government approved stores.
Income Management is bad social policy. The vulnerable in our community need improved social services, higher incomes and employment opportunities, not measures that control their lives and restrict their movements. Aboriginal communities living under the Northern Territory (NT) Intervention have experienced four years of hardship and humiliation as a result of Income Management. There is no convincing evidence that Income Management has improved outcomes for welfare recipients.
Income Management is a gross waste of funds. In both the NT and the new proposed 'trial sites', the estimated cost per recipient per year is more than $4500.
Income Management is discriminatory. The Prescribed Area People's Alliance, representing communities across the NT have said, "The BasicsCard has disempowered us. It's very racist. We are going backwards to the welfare days". As the system expands across Australia, both Indigenous people and other already stigmatised groups will bear the burden.
Income Management unfairly disadvantages small businesses and co-operatives that do not have the resources to run the system or apply for a licence.
Your petitioners request that the Senate take action to ensure:
1. Immediate amnesty: Grant the right to immediate, unconditional exit from Income Management to the more than 15,000 people still on the system in the NT, along with Western Australia and Queensland.
2. No expansion: Abandon plans to expand Income Management into five new 'trial sites' across Australia—Bankstown, Rockhampton, Shepparton, Logan and Playford.
3. New opportunities: Redirect investment planned for the Income Management system to increase the income of welfare recipients, create employment opportunities and improve social services.
by Senator Faulkner (from 256 citizens)

Budget
To the Honourable the President and Members of the Senate in Parliament assembled
The 2014 Budget is divisive and brutal. It is a vicious attack on community services, education and healthcare that puts the profits of big business and mining ahead of people and the environment.
A phony budget emergency is being used to justify; the harshest cuts — but nothing in this budget will address the structural problems created by both the Coalition and Labor. The budget impacts us now but doesn't build anything for the future.
We cannot stand by and watch as a generation fall into poverty and homelessness because of these cruel cuts.
We call on the Senate to reject the 2014 Budget and to develop new measures that will achieve the long-term structural reform our economy needs to confront the challenges of the future like climate change and inequality
by Senator Milne (from 10,202 citizens)
Petition received.

NOTICES
Presentation

Senator Milne to move:
That the Senate—
(a) notes:
(i) that the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) has made
significant gains in slowing the spread of these diseases,
(ii) a total of $12.2 billion has been raised thus far by nations and private donors around the world,
short of the target of $15 billion for the 2014-2016 funding period,
(iii) the United States Government has pledged to donate an additional $1 for every $2 other donors
pledge by 30 September 2014,
(iv) the Government of the United Kingdom has pledged to donate a further $300 million if the $15
billion target is reached, and
(v) Australia has pledged $200 million to the Global Fund for the period 2014-2016; and
(b) calls on the Australian Government to utilise the generous incentives being offered by the
governments of the United States and United Kingdom by making an urgent pledge of an additional
$125 million to the Global Fund.

Senator Heffernan to move:
That the following matter be referred to the Rural and Regional Affairs and Transport References
Committee for inquiry and report by 24 November 2014:
The industry structures and systems governing the disbursement of marketing and research and
development (R&D) levies in the agricultural sector, with particular reference to:
(a) an audit of reports, inquiries and reviews relevant to this inquiry;
(b) the basis on which levies are collected and used;
(c) competing pressures for finite R&D funds;
(d) the opportunities levy payers have to influence the investment of the levies;
(e) the transformation of R&D and marketing into increased returns at the farm gate, including the
effectiveness of extension systems;
(f) collaboration on research to benefit multiple industry and research sectors;
(g) industry governance arrangements, consultation and reporting frameworks; and
(h) any other related matter.

Senator Di Natale to move:
That the Senate—
(a) notes recent cuts to jobs at the Australian Animal Health Laboratory of the Commonwealth
Scientific and Industrial Research Organisation (CSIRO), which conducts research into infectious
diseases such as Avian Influenza, SARS, the Hendra virus and most recently Ebola; and
(b) calls on the Government to reverse the $111 million cuts to the CSIRO contained in the budget.

Senator Rice to move:
That the Senate—
(a) notes that:
(i) the 168 million children worldwide working as child labourers face detrimental impacts to their physical, mental and economic development, and
(ii) G20 governments have the opportunity to use their collective purchasing power to tackle child labour;
(b) acknowledges the dedicated work of young VGen volunteers and their efforts to end child labour; and
(c) calls on the Minister for Employment (Senator Abetz) to include discussion of child labour elimination on the agenda of the G20 Labour and Employment Ministers meeting occurring in Melbourne on 10 September and 11 September 2014.

Postponement

The following items of business were postponed:
Business of the Senate notice of motion no. 1 standing in the name of Senator Dastyari for today, proposing the disallowance of items 1 to 27 inclusive and item 30 of the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014, postponed till 1 September 2014.

COMMITTEES

Selection of Bills Committee

Report

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (11:56): I present Report No. 10 of 2014 of the Selection of Bills Committee, and I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 10 of 2014

1. The committee met in private session on Wednesday, 27 August 2014 at 7.19 pm.
2. The committee resolved to recommend—that—
(a) the provisions of the Australian Sports Anti-Doping Authority Amendment Bill 2014 be referred immediately to the Community Affairs Legislation Committee for inquiry and report by 27 October 2014 (see appendix 1 for a statement of reasons for referral);
(b) the provisions of the Customs Amendment Bill 2014 be referred immediately to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 30 September 2014 (see appendix 2 for a statement of reasons for referral); and
(c) the Guardian for Unaccompanied Children Bill 2014 be referred immediately to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 5 February 2015 (see appendix 3 for a statement of reasons for referral).
3. The committee resolved to recommend—that the following bills not be referred to committees:
   • Competition and Consumer Amendment (Industry Code Penalties) Bill 2014
   • International Tax Agreements Amendment Bill 2014
   • Military Rehabilitation and Compensation Amendment Bill 2014
   • Social Services and Other Legislation Amendment (Student Measures) Bill 2014
   • Tax and Superannuation Laws Amendment (2014 Measures No. 4) Bill 2014.
The committee recommends accordingly.

4. The committee deferred consideration of the following bills to its next meeting:
   - Land Transport Infrastructure Amendment (Continuing Roads to Recovery) Bill 2014
   - Marine Safety (Domestic Commercial Vessel) National Law Amendment Bill 2014
   - Mining Subsidies Legislation Amendment (Raising Revenue) Bill 2014
   - Motor Vehicle Standards (Cheaper Transport) Bill 2014
   - Save Our Sharks Bill 2014.

(David Bushby)
Chair
28 August 2014

APPENDIX 1

SELECTION OF BILLS COMMITTEE

Proposal to refer a bill to a committee:

Name of bill:
   Australian Sports Anti-Doping Authority Amendment Bill 2014

Reasons for referral/principal issues for consideration:
   There is not sufficient justification for increasing ASADA powers
   The Coalition opposed the Australian Sports Anti-Doping Authority Amendment Bill 2013 and the reasons cited are still valid
   Increased intelligence gathering and investigative powers may be opposed by athletes

Possible submissions or evidence from:
   Australian Sports Commission
   ASADA
   Olympic and national sporting federations and organisations
   Athletes affected by the proposed Bill

Committee to which bill is to be referred:
   Rural and Regional Affairs and Transport

Possible hearing date(s):
   October 2014

Possible reporting date:
   November 2014

(sign)
Senator Siewert

APPENDIX 2

SELECTION OF BILLS COMMITTEE

Proposal to refer a bill to a committee:

Name of bill:
   Customs Amendment Bill 2014
Reasons for referral/principal issues for consideration:
   To examine in greater detail specific provisions of the Bill

Possible submissions or evidence from:
   Australian Customs and Border protection Service
   Maritime Union of Australia
   Shipping Australia
   Carnival Australia

Committee to which bill is to be referred:
   Senate Legal and Constitutional Affairs Legislation Committee

Possible hearing date(s):
   To be determined by the Committee

Possible reporting date:
   30 October 2014

(signed)
Senator McEwen
Whip/Selection of Bills Committee Member

APPENDIX 3
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee:

Name of bill:
   Guardian for Unaccompanied Children Bill 2014

Reasons for referral/principal issues for consideration:
   The need for an independent statutory body to advocate in the best interest of Unaccompanied minors international obligations to children in Australia's care
   The need to address the conflict of interest which currently exists with the Minister of the day being these children's guardian and the person who is responsible for their detention.

Possible submissions or evidence from:
   Amnesty International Australia
   Human Rights Law Centre of Australia
   Australian Churches for Refugees
   Refugee Council of Australia
   Refugee and Immigration Legal Centre

Committee to which bill is to be referred:
   Senate Legal and Constitutional Affairs Legislation Committee

Possible hearing date(s):
   10-14th November

Possible reporting date:
   5th February 2015

(signed)
Senator Siewert
Senator BUSHBY: I move:
That the report be adopted.
Question agreed to.

BUSINESS

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (11:56): I move:

That—
(a) government business orders of the day as shown in the list circulated in the chamber be considered from 12.45 pm today; and
(b) government business be called on after consideration of the bills listed in paragraph (a) and considered till not later than 2 pm today.

Non-controversial government business—
No. 4 Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2014
No. 5 Classification (Publications, Films and Computer Games) Amendment (Classification Tools and Other Measures) Bill 2014
No. 6 Meteorology Amendment (Online Advertising) Bill 2014

Question agreed to.

Senator FIFIELD: I move:
That the order of general business for consideration today be as follows:
(a) general business notice of motion no. 394 standing in the name of Senator Madigan relating to liquid fuel refining;
(b) general business order of the day no. 11 (Anti-Money Laundering Amendment (Gaming Machine Venues) Bill 2012 [2013]); and
(c) orders of the day relating to government documents.

Question agreed to.

Senator FIFIELD: I move:
That the following general business orders of the day be considered on Thursday, 4 September 2014 under the temporary order relating to the consideration of private senators’ bills:
No. 40 Defence Legislation Amendment (Parliamentary Approval of Overseas Service) Bill 2014.
No. 28 End Cruel Cosmetics Bill 2014.
No. 41 Mining Subsidies Legislation Amendment (Raising Revenue) Bill 2014.

Question agreed to.

Leave of Absence

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (11:58): by leave—I move:
That leave of absence be granted to Senator Ryan from 26 August to 28 August 2014 for personal reasons.

Question agreed to.
NOTICES
Postponement

The following item of business was postponed:
Business of the Senate notice of motion no. 1, standing in the name of Senator Dastyari, relating to
disallowance, postponed to the next day of sitting.

MOTIONS
Hepatitis

Senator MILNE (Tasmania—Leader of the Australian Greens) (11:59): Mr Deputy
President, I note the presence in the gallery of representatives of Hepatitis Australia. I, and
also on behalf of Senators Singh and Bushby, move:

That the Senate—

(a) notes:

(i) there are almost half a million Australians living with Hepatitis B or Hepatitis C, many
undiagnosed,

(ii) the serious health risks associated with Hepatitis B and C, in particular the risk of developing
serious liver disease, and

(iii) that 1 000 Australians die each year from advanced liver disease due to untreated Hepatitis B or
C; and

(b) calls for prioritisation of effective diagnosis and best available treatment of Hepatitis B and C in our
health services.

Question agreed to.

COMMITTEES

Legal and Constitutional Affairs References Committee
Meeting

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:00): At the
request of Senator Wright, I move:

That the Legal and Constitutional Affairs References Committee be authorised to hold a private
meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on
Thursday, 28 August 2014, from 3.50 pm.

Question agreed to.

Legal and Constitutional Affairs Legislation Committee
Meeting

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (12:00): At the
request of Senator Macdonald, I move:

That the Legal and Constitutional Affairs Legislation Committee be authorised to hold a private
meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on
Thursday, 28 August 2014, from 3.45 pm.

Question agreed to.
Thursday, 28 August 2014  SENATE  5865

DOUCMENTS

Australian Broadcasting Corporation and Special Broadcasting Service

Order for the Production of Documents

Senator LUDLAM (Western Australia) (12:01): I move:

That the Senate—

(a) notes that:

(i) on 31 January 2014, the Minister for Communications announced an efficiency review of both national broadcasters, the Australian Broadcasting Corporation (ABC) and the Special Broadcasting Service (SBS), to be conducted by Mr Peter Lewis, and

(ii) despite the potentially serious ramifications of the Lewis report for the ABC and SBS, the Government has to date failed to make the report available for public consideration; and

(b) orders that there be laid on the table, by the Minister representing the Minister for Communications, no later than 2 pm on Monday, 1 September 2014, a copy of Mr Lewis’s efficiency review of the ABC and SBS.

The DEPUTY PRESIDENT: The question is that general business notice of motion 393 be agreed to.

The Senate divided. [12:06]

(The Deputy President—Senator Marshall)

ាបាន 33

Noes ...................... 29

Majority ................ 4

AYES


NOES

Question agreed to.

COMMITTEES
Appointment

Senator LAZARUS (Queensland—Leader of the Palmer United Party in the Senate) (12:08): I ask that general business notice of motion No. 356, relating to the establishment of a select committee on certain aspects of the Queensland government administration, be taken as a formal motion.

The DEPUTY PRESIDENT: Is there any objection to this motion being taken as formal?
An honourable senator: Yes.

The DEPUTY PRESIDENT: There is an objection.

MOTIONS
Hearing Awareness Week
Indigenous Health

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:09): I move:
That the Senate—

(a) notes that:
   (i) it is Hearing Awareness Week from 24 August to 30 August 2014,
   (ii) the theme for this year is “How Loud is Too Loud”,
   (iii) approximately 3.5 million Australians suffer from hearing loss or impairment, and
   (iv) exposure to noise is a known cause of one-third of the cases of hearing loss;
(b) acknowledges that:
   (i) hearing loss disproportionately affects Aboriginal and Torres Strait Islander children, and
(ii) ear disease and hearing impairment in Aboriginal children in Australia is one of the biggest barriers to educational success for these children; and

(c) calls on the Federal Government to make Aboriginal ear disease a national priority and recognise it as a chronic disease in the Closing the Gap Strategy.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (12:09): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator NASH: The government is committed to improving the health of Aboriginal and Torres Strait Islander children and we acknowledge the importance that good hearing has for social, education and health outcomes. Ensuring children are healthy and school ready is a core priority for this government. We recognise the importance of hearing in assisting children to be both ready to go to school and able to learn, to get the best outcome from their education experience. This is an important area for this government. To close the gap on Indigenous health outcomes this needs to be a priority across governments and requires bipartisanship. This is too important an issue to be developing policy on the run. We will continue to work with our colleagues in the states and territories and the opposition to progress action to improve ear health services for Indigenous Australians as a priority.

Supporting Aboriginal and Torres Strait Islander children to be healthy, including good hearing, is a key priority to improve short- and long-term outcomes for Indigenous children, families and communities. I indicate that we will not be supporting the motion.

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:10): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator SIEWERT: I take from the minister's comments that the government will not be supporting this motion. I am extremely disappointed to hear that. As far as her comments about policy on the run are concerned, I am quite shocked that the Assistant Minister for Health would say that, given that since I started here, nine years ago, I have been talking about Aboriginal health and Aboriginal ear health. The Senate Community Affairs References Committee report Hear us: inquiry into hearing health in Australia, which has acclaim throughout the hearing community, was really clear. It contained a whole section on Aboriginal ear health. This has been on the agenda for a significant period of time. The government cannot claim that this is policy on the run.

Question agreed to.

World Congress of Families

Senator WATERS (Queensland) (12:12): I move:

That the Senate—

(a) notes that:

(i) the World Congress of Families is responsible for spreading:

(A) homophobic and sexist prejudices around the world, including in Russia, the United States, and countries in Eastern Europe and Africa, and
(b) harmful myths, including linking abortion with breast cancer and contraception with domestic violence,
   (ii) the World Congress of Families is holding a conference in Melbourne on Saturday, 30 August 2014,
   (iii) the Minister for Social Services (Mr Andrews) is planning to attend the conference and give an opening address, and has been awarded the 2014 Natural Family Man of the Year award by the World Congress of Families, and
   (iv) other state and federal Members of Parliament are also planning to attend the conference;
(b) reaffirms the:
   (i) fundamental Australian values of equality, tolerance and non-discrimination, and
   (ii) value and dignity of all persons regardless of their gender, sexuality, or family status; and
(c) calls on Members of Parliament not to attend the World Congress of Families conference.

Question agreed to.

Domestic Violence

Senator RHIANNON (New South Wales) (12:13): I move:

That the Senate—

(a) notes:
   (i) specialist women-only services play a crucial role in providing specialist services for victims of domestic and family violence,
   (ii) services to victims of domestic and family violence and their children should be provided by specialist services and not general homelessness shelters,
   (iii) women-only refuges in New South Wales such as the Muslim Women's Support Centre and Immigrant Women's Speakout offer unique culturally sensitive in-house and outreach services for ethnic women, and
   (iv) more than 25 women-only refuges in New South Wales have had their funding cut by the New South Wales State Government; and
(b) calls on state and federal governments to ensure funding is retained for specialist women-only services to allow them to offer independent, high quality and culturally appropriate services.


The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: One of the key priorities of the Abbott government is the reduction of violence against women and their children. In November 2013, the Prime Minister announced $1 million in funding for White Ribbon Australia to work with CALD and Indigenous communities, including new and emerging communities. The government is committed to implementing the National Plan to Reduce Violence Against Women and their Children 2010-2022 and ensuring its programs are properly resourced and effective. On 27 June 2014, the government launched the second action plan under the National Plan to Reduce Violence Against Women and their Children 2010-2022, a significant step in continuing the work in reducing violence against women and their children in Australia. The second action plan contains 26 practical actions that all Australian governments agree are critical at this stage for the national plan to improving women's safety. The Commonwealth is providing more than $100 million over the next four years to support the second action plan. The coalition's
policies will focus on delivering greater personal safety to all Australian women. We will ensure that domestic violence is tackled and does not become intergenerational.

Question agreed to.

Wear it Purple Day

Senator HANSON-YOUNG (South Australia) (12:14): I move:
(a) acknowledges that 29 August 2014 is Wear it Purple Day, when we show our support for lesbian, gay, bisexual, transgender and intersex (LGBTI) youth;
(b) notes that Wear it Purple Day seeks to raise awareness about the issues faced by LGBTI youth and the need to eradicate bullying based on sex, sexuality and gender diversity; and
(c) recognises that every young person has the right to be respected and treated equally, regardless of their sexuality or gender identity.

Question agreed to.

COMMITTEES

Senate Estimates Committee

Additional Information

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (12:15): I present additional information received by committees relating to estimates.

Joint Select Committee on Northern Australia

Appointment

Message received from the House of Representatives notifying the Senate of a resolution agreed to by the House varying the resolution of appointment of the Joint Select Committee on Northern Australia.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:16): I seek leave to move a motion in relation to the message.

Leave granted.

Senator FIFIELD: I move:
That the Senate concurs with the resolution of the House of Representatives.

Question agreed to.

Education and Employment Legislation Committee

Report

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (12:16): On behalf of the Chair of the Education and Employment Legislation Committee, Senator McKenzie, I present the report of the committee on the provisions of the Family Assistance Legislation Amendment (Child Care Measures) Bill (No. 2) 2014, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.
REGULATIONS AND DETERMINATIONS

Social Security (Reasonable Excuse – Participation Payment Obligations) (Employment) Determination 2014 (No. 1)

Disallowance

Debate resumed.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (12:17): I am in continuation from yesterday evening. I finished yesterday evening by making the point that the contributions made by other senators were, in fact, extraneous to the particular regulation that we were considering. Indeed, I think I used the analogy of the Empire State Building for Senator Cameron's contribution, indicating that for every story or scenario there was a major flaw. That, regrettably, was the case yesterday and, of course, it remains the case today. For every story and for every cameo, his argument was majorly flawed—be it death; be it the caring responsibilities; be it injury as a result of a crime. All those issues are more than appropriately canvassed in this regulation, and it will be the professionals of the Department of Human Services that will be making the determinations, not the job service providers, as incorrectly asserted by the honourable senator.

I finished off last night by saying that I would then make the rest of my contribution on the positive side as to what the regulation actually does—not what had been asserted previously. I indicate to the Senate that what the instrument does do is give decision makers in Centrelink—and I stress Centrelink—and on appeals tribunals much clearer guidance on what the government thinks is reasonable for them to take into account when deciding whether or not a job seeker had a reasonable excuse for failing to meet their mutual-obligation requirements. For example, the sudden serious illness or hospitalisation of the job seeker's child or partner, the recent death of an immediate family member or the job seeker being recently subjected to criminal or domestic violence would all clearly be exceptional circumstances beyond the job seeker's control. To assert otherwise is to assert that the people in the Department of Human Services would take an absolutely unprofessional and unreasonable approach to these potentially real-life situations.

The instrument also makes it clear that paid work, attending a job interview, medical incapacity or unforeseeable and unavoidable caring responsibilities are all grounds for finding that a job seeker had a reasonable excuse. These are not necessarily exceptional circumstances, but so long as the job seeker gives prior notice, where it is possible for them to do so, they provide a reasonable excuse for the job seeker for not meeting their requirements. It is similar to the circumstance of being in actual employment: if you are sick one morning and you cannot go to work, the reasonable thing to do is to communicate with the relevant person at the workplace and indicate that to them, if at all possible, in advance. Similarly, we say to welfare recipients that in the event you cannot attend an appointment you are required to attend, because of sickness—like someone in the workforce—you simply make contact in advance and say: 'Regrettably, I am ill today' or 'On the way the car broke down and so I can't make it'. You make immediate contact, rather than giving that advice well after the event. The requirement to give prior notice, when possible, is also reasonable, I would suggest.
It is important to note—and this is the one point that rounds all this off—that the legislative instrument is not exhaustive. It is clear in the primary legislation that this regulation is only a guide and cannot limit the matters that the decision maker is able to take into account in determining whether or not a job seeker had a reasonable excuse. In those circumstances, having cleared that up—and I will be kind this afternoon and say that they were inadvertent misrepresentations of the regulation yesterday—and having now explained what the regulation actually will do, as opposed to all the false assertions made about it, I commend the regulation to the Senate and encourage honourable senators to vote against the disallowance.

Senator CAMERON (New South Wales) (12:23): I have listened carefully to what Senator Abetz has said and he has not convinced me and he will certainly not convince the charities in this country who will face the full burden of this regulation and various other bills. What Senator Abetz has tried to do is to focus in isolation on the regulation. By doing that, he ignores other aspects of the social security legislation that come together to make it really tough on Australians who are unemployed and amongst some of the most disadvantaged people in this country.

In fact, what this is about doing is punishing job seekers. It is setting up this dole bludger argument, which is based on the government's ideology, and the government's argument that if you cannot get a job, you really should not participate in society. It is the antithesis of everything the experts in this area tell you. Simply focusing on penalties and simply focusing on penal provisions against some of our poorest Australian citizens is just outrageous.

The Social Security (Reasonable Excuse—Participation Payment Obligations) (Employment) Determination is the legislative instrument the minister must make to determine a non-exhaustive list of matters that decision makers must consider in applying the persistent noncompliance test under the Social Security (Administration) Act 1999. The Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill and the determination are inextricably linked. For Senator Abetz to try to argue it differently is disingenuous and misleading. But that is what we expect from this government. It is a government of broken promises, a government brought to power, based on lies, and a government that seems determined to punish the poorest people in this country.

See, the government wants the determination viewed in isolation. That is because, on the face of it, it seems innocuous—but it is not. When viewed in the big picture of employment service reforms that the government is trying to make, its dangers become clear. The government's package of reforms in this area is designed to disenfranchise and punish the unemployed of Australia. It includes the following measures—and you have to take this determination into account with all of these issues. Firstly, the determination that sets out what a decision maker must take into account in determining whether someone has a reasonable excuse for noncompliance under the Social Security Act; next is the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill, which seeks to amend the Social Security (Administration) Act 1999, in relation to the imposition of eight-week penalties on job seekers who are receiving a participation requirement for the serious failures; next is the Exposure Draft of the Employment Services 2015-2020 purchasing arrangements, which is the Job Services Australia tender document, which sets out the government's intentions in relation to the Job Services Australia program from 1 July 2015; next is the Social Security Legislation Amendment (Strengthening the Job Seeker Compliance
Framework) Bill, which seeks to strengthen the compliance arrangements for job seekers in receipt of activity-tested income support arrangements; and, the changes to Newstart for job seekers aged under 30 that will see them off income support for a continuing six-month cycle until they either get a job or turn 30.

All of these bills have to be read together to understand what this regulation and determination that the government has brought in really means. You have to look at what all of these acts do. The Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill was introduced by the coalition on Wednesday, 4 June 2014. The bill seeks to amend the Social Security (Administration) Act 1999. Under current job seeker compliance provisions contained in the act, job seekers in receipt of participation payment—defined as Newstart and defined for some people as youth allowance, parenting payments and special benefits—may incur an eight-week non-payment period penalty for serious failures consisting either of refusal of suitable work or persistent noncompliance with their participation obligations.

Currently, the act provides that such non-payment penalties may be waived if the job seeker begins to comply with a serious failure requirement—currently Work for the Dole, job search training or undertaking more intensive searches. These are the issues that have to be dealt with. The non-payment may also currently be waived if the job seeker does not have the capacity to comply with any such serious failure requirement and would be in serious financial hardship if the non-payment were not ended. What we have here is a government that want the unemployed, who are on $36 a day at the moment, to suffer a further penalty. As if having to live on $36 a day is not problem enough for some of our most disadvantaged Australians; the government wants to penalise them even more. It is because they have this dole bludger mentality, this ideology that if you do not have a job you are some kind of inferior Australian. They do not understand these issues. They do not understand the difficulty some Australians have in getting a job. They just don't get it. They want to penalise people on $36 a day, take all support away from them and leave them destitute and reliant on charity.

There are a number of concerning aspects of the legislation, which has to be read in conjunction with the determination. Job seekers will be unable to re-engage during the eight-week non-payment period. Once you have been penalised, that is it—you have lost your payment. You cannot come and say, 'Look, I really want to get on top of this problem I have,' or, 'I've got on top of my problem and I want to re-engage.' You are gone for eight weeks, with absolutely no payments. No evaluations have been done on whether these changes are likely to be successful. The majority of people affected by the changes will have a vulnerability indicator already noted on their Centrelink records, meaning that they are disadvantaged in some way, including whether they have a mental illness or psychiatric problems, are homeless, have recently been discharged from prison, have had a recent traumatic relationship breakdown or have suffered from cognitive or neurological impairment. Indigenous job seekers are also over-represented amongst those who will be penalised. These are the people who need more help in our community, not penal provisions—not forced onto charity, not abandoned by the government. They should be supported and assisted.

The Social Security (Reasonable Excuse—Participation Payment Obligations) (Employment) Determination 2014 (No. 1) sets out a non-exhaustive list of matters which
decision makers must consider in determining whether or not a reasonable excuse exists in relation to a job seeker's serious failure under the Social Security (Administration) Act 1999, being either refusal of suitable work or persistent noncompliance, before imposing a nine-week non-payment period. The proposed determination changes what constitutes a reasonable excuse for the purpose of the legislation. What is concerning is the discretion acknowledged to exist in determining whether circumstances directly prevent a job seeker from complying with requirements. The concept of 'directly prevent' is a new requirement introduced by the government and obviously narrows the discretion of the decision maker in deciding whether or not an excuse is reasonable. Also concerning is the removal of factors which currently must be taken into account when deciding whether a person has a reasonable excuse. These are: that the person did not have access to safe, secure and adequate housing, or was using emergency accommodation or a refuge; the literacy and language skills of the person; an illness, impairment or condition of the person that requires treatment, including an illness that is episodic or unpredictable in nature; a cognitive or neurological impairment of the person; a psychiatric or psychological impairment or mental illness of the person; a drug or alcohol dependency of the person; unforeseen family or caring responsibilities of the person; that the person was subjected to criminal violence (including domestic violence and sexual assault); that the person was adversely affected by the death of an immediate family member or close relative; and, the person's recent imprisonment or release from imprisonment.

The government has argued that some of the above factors will still be considered in determining 'reasonable excuse'. However, on the government's proposal, job seekers would have to prove that the circumstances directly prevented them from meeting the requirement and that they gave prior notice, under the requirements of section 42UA of the act. The secretary will no longer be required to take the above factors into consideration when deciding whether a job seeker has a reasonable excuse. The department is going to be handing responsibility for the decision making as to whether or not a serious failure has occurred and whether or not there was a reasonable excuse for it from Centrelink to Job Services Australia and to their provider staff. The major concern with this is that the JSA staff may not be aware that they have a wide discretion in making a decision as the delegate of the secretary and might instead be led to believe that they can only consider the factors listed under 'reasonable excuse' in the government's new determination.

The minister's own Exposure draft for employment services 2015-2020 purchasing arrangements states on page 41:

The Employment Provider will also determine whether the Job Seeker had a reasonable excuse for non-attendance at their initial appointment in accordance with legislation and guidelines.

This clearly demonstrates that what the minister was arguing is false, that what the minister was arguing is not correct. The providers themselves who have looked at this package of legislation—not just the determination—have expressed concern in relation to these changes, including that it will change the dynamic of the relationship between job seeker and provider, with the provider becoming—to use one of the PM's famous terms—the baddie. They do not want that, but that is what this package of legislation does and that is why we must disallow this determination.

Jobs Australia has further concerns. One of their key considerations is the fact that the department will be handing responsibility for decision making from Centrelink staff to Job
Services Australia provider staff. What level of guidance and support will be provided no-one yet knows, but one concern arising from that is that the JSA staff may not be made aware that they have wide discretion in making a decision as delegates of the secretary. They might instead be led to believe that they can only consider the factors listed in the determination.

Who knows what the Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill will seek to do. It is part of an attack package on the most vulnerable Australians. Obviously, the government thinks that the harsh measures so far have not gone far enough.

The proposed Newstart changes demonise young job seekers. They punish job seekers for not being able to find work rather than focusing on job creation so that there are actually jobs out there for people. The changes force them to live on fresh air for a continuing six-month cycle. The government wants them to find it so hard that they do not bother with income support. This is a cost-cutting approach using the most vulnerable people in this country. Not only will job seekers have to fall back on parents and families, if they have parents and families; they will have to fall back on charity.

This determination is one aspect of big picture of this government's action today in this area. I emphasise that you cannot deal with the determination in isolation from the other aspects of the government's social security attack measures. It is all about punishing and further disadvantaging vulnerable people who are already doing it tough. Yesterday when I was outlining the issues associated with this determination, I went to the statement of compatibility with human rights. One of the key bills that this determination will integrate with is the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014. What did the Parliamentary Joint Committee on Human Rights say about it? It said this:

Based on the information and analysis provided the committee does not consider that the statement of compatibility adequately demonstrates that the proposed amendments are needed for the purpose of meeting a pressing and substantial concern, that there is a rational connection between the measure and the identified objective and that the measure is a reasonable and proportionate one for the achievement of that objective.

That was scrutiny of the parliament. The joint human rights committee have said that the bill is not reasonable and it is not proportionate.

When you are looking at this determination, you have to take into account the other aspects of the draconian legislation against the poor and needy in this country. I do not understand for a minute how this could happen or how people could treat their fellow Australians in this manner. When you take all of those bills and this determination together, we are penalising people who are surviving on $36 a day. You must look at the whole package that is in place so that you understand the implications of the determination. This is a horrible set of measures against the poor, the underprivileged and the weakest people in our community. It simply shows that this government is completely out of touch. It is completely out of touch with the availability of work for the unemployed in this country, it is completely out of touch with the challenges that the unemployed face and it simply ignores the already tough set of measures that are there to ensure compliance.
No-one wants people to rort the system, but this is not designed to stop people rorting the system; this is an ideological attack on the poorest people in the country. It is an ideological attack because the coalition do not have a clue what it is like to be unemployed or have one of your family unemployed. They do not know what it is like to battle to put food on the table on $36 a day. They think you need to impose more penalties on the poorest people in this country. We should not support this determination. By supporting this determination, you are basically saying the package of bills is okay. The package of bills is not okay. We need a decent society and we need a package of bills that looks after the poorest and does not penalise them.

The PRESIDENT: The question is that the disallowance motion moved by Senator Cameron be agreed to.

The Senate divided. [12:47]

(The President—Senator Parry)

Ayes .....................33
Noes .....................29
Majority .................4

AYES

Bilyk, CL (teller) Cameron, DN Conroy, SM Di Natale, R Gallagher, AM Ketter, CR Lazarus, GP Ludlam, S Lundy, KA Milne, C O'Neill, DM Rhiannon, L Siewert, R Sterle, G Wang, Z Whish-Wilson, PS Xenophon, N

NOES

Abetz, E Bernardi, C Bushby, DC (teller) Colbeck, R Edwards, S Fierravanti-Wells, C Heffernan, W Macdonald, ID McGrath, J Nash, F Parry, S Reynolds, L

Back, CJ Birmingham, SJ Canavan, M.J. Day, R.J. Fawcett, DJ Fifield, MP Leyonhjelm, DE Mason, B McKenzie, B O'Sullivan, B Payne, MA Ronaisdoun, M
In speaking to the second reading of the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2014, I indicate that Labor will be supporting this bill and that Labor supports the establishment of a retail corporate bond market in Australia. A well-performing and efficient retail corporate bond market will provide an alternative source of funding for Australian companies and increase competitive pressure on lending rates to businesses. This bond market is a significant source of funds for many Australian financial and non-financial corporations. Correspondingly, this financing activity provides investment opportunities for Australians and non-residents. Indeed, the establishment of a deep and liquid retail corporate bond market in Australia was a key priority for the former Labor government and was subject to some significant and ongoing work over a number of years.

On 26 September 2008, the Minister for Financial Services, Mr Bowen, established the Australian Financial Centre Forum, the AFCF, to progress the government's initiative to position Australia as a leading financial services centre in the region. Mr Mark Johnson was the chairman of this partnership of government and industry, which also comprised six senior financial sector representatives, a Treasury task force and a reference group. The AFCF looked at a broad range of policy settings including, but not limited to, financial sector regulation; taxation; improving Australia's skill and talent pool through education and immigration policies; and promotion of Australia's financial services industry.

The final report, known colloquially as the Johnson report and formally as the Australia as a financial centre: building on our strengths report was handed down in November 2009 and included examination of the lack of liquidity and diversity in Australia's corporate bond market. It also discussed why this lack of liquidity was a significant weakness in the overall
assessment of Australia’s financial system. At the retail level, it was considered that one action the government could take to overcome this weakness was to introduce regulatory changes that could assist with developing the market.

In December 2010, as part of its Competitive and Sustainable Banking System initiative, the former Labor government signalled it would be introducing changes to facilitate the development of a deeper and more liquid corporate bond market in Australia. These changes included launching the trading of Commonwealth government securities on financial markets to be accessible to retail investors and reducing the regulatory burden associated with issuing corporate bonds to retail investors, including streamlining disclosure requirements and prospectus liability regulations.

The bill that is before the Senate today seeks to reduce the regulatory burden of companies offering relatively simple, or so-called ‘vanilla’, corporate bonds to retail investors, while at the same time ensuring that appropriate standards of consumer protection are maintained. The bill increases offerings of corporate bonds to retail investors in Australia by streamlining the disclosure regime for issuers; changing the civil liability regime in respect to retail corporate bonds; and clarifying the application of the requirement to take ‘reasonable steps’ in respect of misleading and deceptive statements and omissions in disclosure documents relating to retail corporate bonds.

This bill follows the passage of the former Labor government's legislation to facilitate retail trading in Commonwealth government securities, CGS, in 2012. Having an active retail market in Commonwealth government securities is an important step in establishing a wider retail corporate bonds market by providing a visible pricing benchmark for retail investors in corporate bonds. This bill will deliver on the former Labor government's commitment to reduce regulatory burdens and barriers for offers of corporate bonds to retail investors.

The bill contains three major elements. First, under current arrangements, the issuance of corporate bonds to retail investors requires the provision of a full prospectus. Under the changes in this bill, the issuance of certain corporate bonds to retail investors will require the provision of a two-part simple corporate bond prospectus. Second, under current arrangements, simple retail corporate bonds, like other bonds, can be traded directly but are not able to be traded as depository interests. Under this bill, simple corporate bonds will be able to be traded using simple retail corporate bonds depository interests. Third, under current arrangements, directors and proposed directors of a body making an offer have liability for any misstatement in, or omission from, the disclosure document whether or not that director was involved in a contravention of subsection 728(1). This bill makes changes so that directors and proposed directors of a body making an offer have liability for any misstatement in, or omission from, the disclosure document only where they are involved in a contravention of subsection 728(1).

Labor had introduced the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2013 which lapsed. Schedule 1 of that bill is virtually identical to the bill we are debating today. There is one minor change between schedule 1 of Labor's 2013 bill, which lapsed, and proposed section 713A paragraph 22 of the new bill. The old bill specified that securities must be for a fixed term of not more than 10 years. This has been changed to a fixed term of not more than 15 years in the new bill.
The measures in this new bill are another major initiative that the former Labor government was delivering on in its long-term commitment to encourage the development of a deep and liquid bond market in Australia. The measures provide companies with another source of fundraising and signal that it is their time to contribute to the development of Australia's corporate bond market.

We often hear much rhetoric from those on the opposite side of the chamber about red tape and regulation. Here is an example of good measures of the former Labor government to reduce red tape and the regulatory burden. We are pleased that the new government has continued the good work of Labor in office and, with that, Labor will be supporting this bill.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Foreign Affairs) (12:58): This bill is further evidence of the government's commitment to reduce regulatory burdens and unnecessary costs on business. The reforms in this bill will boost the development of Australia's retail corporate bond market by reducing costs for bond issuers and giving company directors more certainty. I thank Senator Singh for her eloquent contribution and commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Smith) (12:59): As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Foreign Affairs) (12:59): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Classification (Publications, Films and Computer Games) Amendment (Classification Tools and Other Measures) Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator JACINTA COLLINS (Victoria) (13:00): I will not take long with this second reading contribution on the Classification (Publications, Films and Computer Games) Amendment (Classification Tools and Other Measures) Bill because we are dealing with non-controversial business and there has been significant discussion of this bill in the House. However, I can indicate that Labor is supporting the bill and we welcome the government's progressing the matter. The former Labor government did all the work to enable the bill and to formulate the approach taken in its provisions. It was Labor that asked the Australian Law Reform Commission to undertake a review of Australia's classification and censorship system—remarkably, the first such review in 20 years.
It was also the former Labor government that took the recommendations of that report to the Standing Council on Law and Justice in April 2013, and it was Labor that secured the agreement of state and territory ministers, which has now borne fruit here with this bill. So, we welcome the fact that the government is proceeding with the bill and I indicate Labor's hearty support.

Senator IAN MACDONALD (Queensland) (13:01): I chaired the Senate Legal and Constitutional Affairs Legislation Committee inquiry that looked at the Classification (Publications, Films and Computer Games) Amendment (Classification Tools and Other Measures) Bill in some detail, and I want to thank those who made submissions and those who appeared before us to give evidence. I also want to thank the committee secretariat for again doing a wonderful job in coordinating and bringing together the thoughts of the committee and its recommendations.

Generally there was consensus that the National Classification Scheme is in need of reform, and various stakeholders welcomed the bill. There were a number of issues raised which are set out in the report. I urge the Attorney-General and his department to carefully consider some of the issues raised. I do congratulate Senator Brandis for bringing this bill forward—as I say, there was a general belief that amendments and reform were necessary, and I am pleased that Senator Brandis has acted on that. I would refer Senator Brandis and his department to the recommendations of the committee. The first recommendation is that the bill be passed, which I know the Attorney will take note of, and the second recommendation states:

The committee recommends that the government ensures that the Bill's implementation and supporting material are clear and understood by stakeholders, in particular information regarding the approval and trial of classification tools, and the appeals process

People did ask us about those issues during the hearing. There was clearly a need for a little extra explanation or clarification, and I hope that the department in implementing this bill will take notice of that recommendation. This is not a party partisan bill—I think all parties to the hearing were happy to recommend the bill's passing but we do ask that the government take some account of the issues raised in the committee's report.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Foreign Affairs) (13:03): I thank Senator Collins and Senator Macdonald for their contributions to the debate. I table an addendum to the explanatory memorandum relating to the Classification (Publications, Films and Computer Games) Amendment (Classification Tools and Other Measures) Bill 2014 and commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Smith) (13:04): As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Foreign Affairs) (13:04): I move:

That this bill be now read a third time.
Question agreed to.
Bill read a third time

Meteorology Amendment (Online Advertising) Bill 2014

Second Reading

Debate resumed on the motion:
That this bill be now read a second time.

Senator SINGH (Tasmania) (13:05): Labor will support the Meteorology Amendment (Online Advertising) Bill, which gives effect to decisions taken under the previous Labor government. The Bureau of Meteorology is an Australian institution, providing valuable information on weather and weather patterns all the year round, as well as vital updates on information during extreme weather events—something we all very much value. It helps us make decisions like whether to take an umbrella as we leave the house, right through to when we plant crops and when to move out of the path of a devastating cyclone. Its services help families and individuals right through to emergency services.

The bureau is also vital to our economy—some 3.4 per cent of Australia's GDP is climate sensitive, covering almost every economic sector. The aviation industry alone is heavily reliant on the bureau's services. There are around 1.7 million passenger movements every single week, and every single service is reliant on accurate weather forecasting services. We do know there is always room for improvement, and the review of the bureau's extreme weather and seasonal forecasting capacity—known as the Munro review—was undertaken in response to extreme weather events in the 2010-11 summer. Senators will recall the events of the 2010-11 summer—there was severe flooding, there were several intense tropical cyclones and there were bushfires in Western Australia. Again in the summer of 2012-13 we had heatwaves and Tropical Cyclone Oswald.

The bureau's services also worked on providing potential tsunami warnings as a result of earthquakes across the Pacific.

During these times of intense activity, the bureau's capacity was stretched and tested. These capacity issues are still likely to be tested by climate change as it increases the severity of extreme weather events. The then Labor government's initial response was quick. Funding was provided to retain international meteorologists and recruit and train graduate meteorologists. The Munro review also recommended that advertising be considered as an option for raising revenue, so Labor acted on the recommendation by announcing a 12-month trial in 2012-13 and advertising became a permanent feature of the bureau website in the 2013 budget.

The Bureau of Meteorology had over 500 million visits in 2013. It is one of the most visited websites in Australia. From these half a billion visits, almost three billion pages of information were downloaded. Allowing the bureau to place paid advertising on its website, with the right safeguards, will allow it to cover some of the costs of its operations. I think it is also worth remembering that the bureau would not be the first national forecasting service to carry paid advertising. It is already done in Canada, the UK, New Zealand, France and Denmark. We are not entering uncharted territory at all here. It is already done in other countries and it has been trialled here in Australia. This bill formalises the ability of the Bureau of Meteorology to place paid advertising and ensures that guidelines are in place so
that advertising is appropriate. Labor is a strong supporter of the bureau and supports measures that increase its capacity to serve the Australian people and the Australian economy. We believe this bill serves this end and therefore Labor will be supporting this bill.

Senator LUDLAM (Western Australia) (13:09): I will speak briefly on the Meteorology Amendment (Online Advertising) Bill 2014. As Senator Singh has acknowledged, the bureau is one of the most widely respected and visited sources in the country, whether you are checking the app on your mobile phone or the website to see if you need an umbrella or not on that day. Indeed, you might not be aware that they are the source for the TV news every night. From that ordinary sense all the way through to the fact that the bureau does critically important research on longer term climate impacts on Australia, I think it is important to note at the outset that this is a widely respected and trusted institution.

I am aware from my work in a slightly different context over the years with SBS of the idea that publicly funded, available, trusted broadcasting services be compelled to take advertising—which is something that, fortunately, has not crossed over to the ABC yet, although we know that that is being discussed behind closed doors. At least in the context of SBS, forcing the Special Broadcasting Service to take advertising was simply an excuse, once it had been worked out roughly how much the agency would be able to raise, to withdraw public funding and to make it more difficult for the SBS to carry out its deeply important role. What I see occurring with the extension and normalisation of advertising that will be carried on the Bureau of Meteorology’s site, is creeping commercialisation allowing government to gradually abandon and withdraw responsibility for funding a service that all Australians, whether they know it or not, deeply depend on from the day-to-day mundane all the way through to the critically important enabling research and modelling on what our climate is doing. In forcing an entity like the bureau to run advertising on its web presence—which, as Senator Singh has acknowledged, has a lot of eyeballs, presence and reach—although it obviously boosts the fortunes of the bureau, we will find the Australian government removing a dollar for every dollar that is raised in advertising.

In the meantime, we have commercialised something that should have remained free from those influences. As was noted at SBS—and it would be interesting to consider how the bureau might respond—the SBS changes its programming, ethic and the way it thinks about its role if it is effectively chasing eyeballs. When you begin to advertise, effectively your audience and viewership becomes a commodity that you sell to advertisers. It is a very different way of thinking than when your customer is the people of Australia, who rely on you for reliable weather services and climate research. I do not think the case has been made at all.

This has been listed as non-controversial legislation. I would like to put on record on behalf of the Australian Greens that for us it is procedurally non-controversial in that we do not intend to call a division, because we understand the government and the opposition have called in favour, but I think this prospect is one of controversy. We should not simply let through to the keeper the idea that government can withdraw responsibility for a service like this, pulling funding from the BOM, while encouraging it to become some kind of commercial broadcaster on behalf of advertisers. I know the context of SBS is somewhat different, that SBS is a broadcaster and broadcasters sometimes carry advertising. This is a profoundly important public service.
What happens next? Will we have the health department advertising pharmaceutical products? I do not mean that in a glib or a tongue-in-cheek kind of way. Is that where this is heading? I think it is a very dangerous path for us to be going down. On the one hand is the fact that it means the government can reduce its responsibility for funding something that is very important; on the other hand, is the way that these kinds of commercial imperatives—which are entirely appropriate for private companies as opposed to government essential services—can warp the priorities of the agency itself. That is what I think we should be extremely careful of here.

The Greens are quite disappointed to see the bipartisan cross-party support on behalf of Labor and the coalition for normalising something that I think we should apply some critical thinking to in order to see how much further down this curve the government proposes to go. I guess Senator Mason is going to rise to speak on this bill, on behalf of the government. I would be interested to hear from you, Senator Mason, whether this is something we are likely to see for other government online presences. Are they—

Senator LUDLAM: Well, you have some advisers in the box next to you. I understand that you are in a representative capacity here, that this is not your portfolio. But I would be interested to know: today the Bureau of Meteorology, yesterday SBS—who is it going to be tomorrow, and where is this going to take us? I am recording now that the Greens will not be calling a division, but we do oppose this bill and we think some critical thinking should be applied to the whole concept.

Senator IAN MACDONALD (Queensland) (13:15): I do support the Meteorology Amendment (Online Advertising) Bill 2014. As Senator Ludlam mentioned, the Bureau of Meteorology has a very, very valuable product—a product that is much in demand. I have always had the view that some of the great work the bureau does should be converted into a cash return to the taxpayer for the enormous amount of money the taxpayer has put into the bureau over a period of very many years. So, I certainly support the bill. I once had the privilege of being the minister in charge of the bureau, and I remember that even back in those days we were always trying to find ways that we could sell the wonderful product that the bureau produces to save the taxpayer the complete 100 per cent investment in the bureau, which does become more difficult to fund each and every year.

The bureau has a wonderful reputation, and I well recall my happy years interacting very closely with the bureau. I remember some wonderful people there, including Mr Bill Kininmonth. Talking about Mr Bill Kininmonth just reminds me—slightly off the subject, but certainly relating to the bureau—that I saw a letter in one of the papers the other day from Mr Kininmonth about a recent controversy with the bureau. As I said, I have a very high regard for the bureau, but there is a scientist who has recently been doing some work on what is called the harmonisation of temperature readings. Unfortunately, I am not terribly well prepared for this speech, and I do not even have the name of the scientist who raised some concerns about the bureau's harmonisation of temperature. As I always say—and Senator Ludlam will well agree—I am no expert in this field and in fact am just an ordinary member of the public reading reports.

But, as I understand it, there are a couple of places in Australia where the same temperature recording instruments have been used for decades and decades. One of them was Amberley in
Queensland. These recordings show that the temperature is actually dropping, not increasing. There is not global warming in these couple of instances. Rather, those instruments—the same ones that have always been there—are showing that the temperature is falling. As I understand it, this scientist has done a lot of research and she has actually worked out that the bureau was not prepared to accept this one reading from Amberley and another place that was mentioned—I have forgotten what it is—but did what they call harmonising, which means that they take that temperature reading and harmonise it with other recordings around the area. And in this case, according to this researcher, it was not even near the area, near Amberley. This scientist raised the question of why the Bureau of Meteorology—someone as respectable and responsible as that—would be engaged in this harmonisation when, as I understand it, they did not need to, because it was the same instrument that was used. I understand from these reports that harmonisation is for where you have one sort of measuring device but then change it. And because there can be changes in devices you sometimes get different readings, which they then harmonise. But why you would harmonise when it was the same recording instrument is the question that has arisen.

I understand that the bureau has refuted that publicly and has given an explanation, but I noticed quite a number of letters to the editor that share my concern about the fact that there needs to be ongoing debate on the cause of climate change—the human induced carbon emissions that so many talk about. As one of the letters—or perhaps even this research—said, it is very clear that with peer reviewed research it is the peer reviewers who, like the initial researcher, are getting grants from governments time in, time out. And dare I say, without defaming them, that they have another interest, in making sure that this global warming debate is there. It always concerns me that if you are like this independent researcher, having a different view, or like Professor Bob Carter, having a different view, then you are pilloried. I am surprised that the Greens have not catcalled as they usually do when I mention any scientist who does not conform with the standard IPCC view on life of man induced global warming.

Senator Cameron: Why would you?

Senator IAN MACDONALD: Well, there you go; there is Senator Cameron: if you do not like what the scientist says, you pillory them. It is only if the scientist has your view on life that you think they are good. That really does disturb me, and it has been raised a bit here—that there is this view—

Senator Cameron: Mr Acting Deputy President, a point of order: I cannot let that go unchallenged. I made no comments about the scientists. People just cannot make things up as Senator Macdonald is doing through his whole speech. It is an absolute joke. That is why no-one really worries about him anymore—even his own party!

The ACTING DEPUTY PRESIDENT (Senator Smith): Thank you, Senator Cameron. There is no point of order.

Senator IAN MACDONALD: I always know I am getting close to the truth, near the mark, when Senator Cameron makes that sort of point of order.

Senator Cameron: I just couldn't help myself!

Senator IAN MACDONALD: Senator Cameron would do well to not embark upon this thing. Just because people do not agree with you, Senator Cameron, it does not mean that they
are to be discarded or pilloried, as happens in the climate change debate. That is the concern. I suspect this independent researcher—and I apologise to her for not having her name, but I think it is Dr Marohasy—will be suffering an attack from her own class of scientist for the views she has so courageously published. I am not for a moment suggesting she is right. As I always say in these debates, as an amateur I really cannot get into the debate. But I read with interest that there are qualified scientists and researchers with equally good qualifications and learning who do not follow the IPCC view on man-induced global warming. It always makes me very well aware that in spite of what the Greens and the Labor Party and other politically correct groups say, the debate is far from over. There is no universal understanding of what I call the Greens view or the IPCC view. I raise it in the context of the bureau, and again repeat my highest admiration for the bureau. But I do mention bureau scientists of the past who have different views, but who, when they raised them, were disregarded, as Senator Cameron tries to disregard me. It does not worry me, and I am sure it will not worry this rather courageous researcher who has put her work out to the public in the last seven days, I think it is.

It is good that it is there so the debate can go on. Unfortunately, because I am chairing another committee, these days I do not get the opportunity to go to the Senate environment committee, where I could ask the bureau these questions, which is a shame. But I would like to engage with the bureau as to why they have harmonised data where there did not seem there would be a case for harmonisation. As I said, I have read that the bureau gives a different view, but this very courageous scientist has clearly got support from other scientists and researchers. I say to the bureau: do not get tied up in the political argument that has been promoted by the former government. I can well understand why the bureau was very much in favour of that line under the former government, because I know that if anyone in the bureau had had a different view to the Gillard/Rudd government, they would have been sacked on the spot or pushed out, and I can understand that. But I say to the bureau now that they are under the control of a government that does allow free speech, that does encourage diversity of view. Senator Cameron reminds me that I am one of those who sometimes do have a diverse view on different things than my own party and my own government do—unlike the Labor Party, who are not allowed to do that. But we have a government that does allow a difference of opinion, and I say to the bureau for what it is worth, and out of respect for them from the time when I worked closely with them: do not get drawn into the politics of these things. Be careful with your research and your reputation. I would urge the bureau to seriously consider some of the work that has been put forward by this very courageous independent scientist-researcher that I refer to. Unlike Senator Ludlam, I do think this is a good idea for the bureau that the online advertising be enabled to give the bureau additional resources. I certainly support the bill.

**Senator MASON** (Queensland—Parliamentary Secretary to the Minister for Foreign Affairs) (13:26): The Bureau of Meteorology is, as honourable senators have suggested, one of Australia's most popular websites, with in excess of 471 million visits a year. It is a website trusted by all Australians. This bill amends the Meteorology Act 1955, and will ensure that the bureau can act with surety in the decisions made in relation to advertising on its website, without compromising its standards or compromising its services.

Senator Ludlam made a very interesting contribution this afternoon, and I think it is fair to say that it is impossible to generalise across all of the instrumentalities of government the
degree to which advertising will be permitted, or indeed encouraged. It is often the case that what initially seems controversial or perhaps unusual quickly becomes ordinary and uncontroversial—perhaps that is the case with advertising on SBS. I am confident that Senator Ludlam will cast an eagle eye over developments in this space. I thank him, Senator Singh and Senator Macdonald for their eloquent contributions, and I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT: As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Foreign Affairs) (13:28): I move:

That the bill be now read a third time.

Question agreed to.

Bill read a third time.

Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator CAMERON (New South Wales) (13:28): I rise to oppose the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014. This is another example of how unfair this government is—how unfair it is to those who are the most vulnerable in society. How incompetent this government is. If the government had the least bit of competence or understanding about the real issues to try and deal with unemployment, they would not be going down this path.

It shows how arrogant this government is that it would allow its ideology to dominate any common-sense approach to dealing with unemployed Australians. Remember: these are our most vulnerable Australians. Thirty-six dollars a day they are surviving on—I would not call it 'living'; they are surviving on $36 a day. Yet this government wants to treat the unemployed as dole bludgers: 'They should not be there; they should be out in gainful employment!' This is the ideology of a coalition who are really so far removed from the reality of unemployment that they cannot make basic legislative frameworks that understand the needs of the unemployed in this country. All they want to do is to implement penal provisions. We have seen already today that this Senate has looked askance at the penal provisions that this government wants to put in place. What we did earlier today was to disallow a regulation that was part of the framework of attacks on unemployed Australians in this country.

You see, the problem for the coalition is that Minister Andrews, who has carriage of this for the coalition, just does not seem to understand the complexities of dealing with
unemployment in Australia. If you deal with unemployment on the basis of saying to companies like Toyota and General Motors: 'We don't want you; we don't need you; we're not going to co-invest; you can go away,' and they go away, what basis is that for having any understanding of the real issues on jobs?

As I have said many times, I just cannot understand why the South Australian senators do not do what other coalition South Australian senators have done in the past and actually stand up for their state and stand up for jobs. I have never seen such a weak-kneed, lily-livered, jelly-backed approach from coalition senators in my life. We have had all these debates about jobs in South Australia. We have had all these debates about how we maintain an industry based on manufacturing in South Australia. And I do not think I have heard a contribution from the South Australian senators. I was not a great fan of some of the previous coalition senators, but I will tell you: they would have been in there arguing for jobs. They would have been arguing for their state. They would not have been wanting to turn South Australia into a pale imitation of the United States, with all the social and economic problems that we see there.

This bill that is before us now I think demonstrates the lack of politicians in the coalition's ranks that are prepared to stand up for jobs, because all they seem to want to do is to run this ideological line, this American Tea Party line, that what you do is you punish those who cannot get a job—punish those who cannot get a job! And, as with the Republican Party in the United States, I think we are rapidly seeing the Australian public recognise this—the same as the United States public recognise that you cannot trust the Republicans in the United States with jobs and you cannot trust them to make decent, fair policies.

We have the Tea Party fanatics in the coalition. We know they are there; we have seen them in action. And this bill is about saying, 'We don't care about the unemployed; we can fix unemployment by forcing people into a job.' How do you force people into jobs if the jobs are not there? How do you force people into jobs if the government has got absolutely no idea about how to develop a jobs policy in this country?

It would be less embarrassing for the South Australian senators if they actually stood up against their own party and said: 'You've got it wrong on jobs; you've got it wrong on fairness; you've got it wrong on equity. We should take the words of Brian Loughnane and not be so ideological, otherwise we are doomed.' The South Australians have got an opportunity to actually do something about unemployment, and I would hope that, when this bill goes to a vote, the South Australian senators actually get a backbone—that they stop being jelly-backs; that they actually stand up for their state and say, 'We will not simply penalise South Australians who are going to face the problems with this bill more than those in most other states.' South Australian senators have an opportunity to actually stand up for their state and vote against this bill, on the basis that it does nothing for jobs and it does nothing for South Australians who are looking for jobs. It is about an ideological obsession of the coalition's. It is wrong in policy, it is wrong in equity and it has no basis in social fairness at all.

So I will be watching carefully those jelly-backed, lily-livered South Australian senators when it comes to this issue, and coalition senators from other states, like the Tasmanian senators who are going to impose this draconian legislation on Tasmanians as well. Because where are the highest areas of unemployment? South Australia and Tasmania. That is not to say we do not have unemployment problems elsewhere; we certainly do. But there is an
opportunity now for those who are not Tea Party extremists in South Australia, for those who want to look after South Australians and, by extension, all those in this country who are doing it tough—those people surviving on $36 a day, who do not know where the next meal is coming from, who, under this package of legislative changes that the coalition want to bring in, will be facing six months with no income. How about creating an underclass in this country! That is what the coalition are doing.

I suppose, if you were a Tea Party supporter, you would not care about that. You would not really worry as long as the market is operating effectively, as long as your business is allowed to operate how it likes. Exploit workers if you want. Get any of those externalities out of the way of business—so, no union involvement, no collective bargaining, no decency, no underpinning of a decent social safety net for Australians.

That is the position that this coalition proposes. Was anyone aware of this before the last election? Of course we were not. The Australian public were lied to; they were lied to by the coalition. They lied about their welfare policies. They lied about their jobs policies. They lied about their environmental policies. They lied about every policy of substance. They said there would be no cutbacks to pensions, and there are. They said there would be no increases in taxes, and there are.

This is a government based on ideology. It is about ideology; it is not about the national interest. For the coalition, when it comes to ideology versus the national interest, the national interest comes a long way second—because where is it in the national interest to say to our fellow Australians, 'You will not be allowed to have any income for six months?'

Senator O'Sullivan: We'll fix the budget.

Senator CAMERON: Where is it? I heard the comment that it is 'because we'll fix the budget'.

Senator O'Sullivan: Correct.

Senator CAMERON: You do not fix the budget by starving Australians. You do not fix the budget by making Australians survive without any income for six months. I just do not understand.

I think there are some people of goodwill in the coalition; there are some people of goodwill. I just wonder whether they will look at this legislation and take the same view as the experts in unemployment, the people who study this for a living, the academics who look at this and say, 'This is crazy; these penal provisions do not work.' Will they support the reality of this academic analysis? Will they support St Vincent de Paul, The Smith Family, the welfare rights groups? Or will they simply say, 'You get people back to work by starving them into a job'? I hope that is not the case, but I am afraid we have not seen much sign that the coalition can be trusted, that they will deal with anyone fairly and that they will not take an ideological approach to what they are doing.

At the estimates hearings, I asked questions of the Department of Human Services. I live out in the lower Blue Mountains, near Penrith. There are many unemployed people in Penrith. There are many families doing it tough not only in Penrith but in the western suburbs generally. Where are the bulk of the unemployed in my state of New South Wales? They are in the outer suburbs and they are in rural and regional Australia. And what does this bill do for the residents of Western Sydney and the residents of rural and regional Australia who
happen to be unemployed? It says to them, 'Unless you "earn or learn"'—another slogan, another ideological beat-up—you will have no income for six months.' Where is there a place for this type of ideology in a modern economy? Where is there any place for this in a society that has some compassion and caring for our fellow Australians?

There is no compassion and no caring from this rabble of a government over there—no compassion and no caring from this mob over there. They do not care about the unemployed. As long as the people who sit in their Bentleys handing over the brown paper bags of money in the front seat of the Bentley to Liberal politicians get looked after, they do not care about anybody else. They do not care about anybody else. And the National Party?

*Government senators interjecting—*

**Senator CAMERON:** Give us a break! The National Party have got electorates where there is massive unemployment, massive youth unemployment. But what do the doormats of the coalition do? They sit quietly and do nothing. They allow the coalition to rip away at the hospital system in rural and regional Australia. They allow them to rip away at the education system in rural and regional Australia. No wonder the National Party are described as doormats. When I first came here I said, 'No, the National Party can't be doormats!' But I was here a couple of days and I knew the National Party were the doormats of the coalition—the absolute doormats! But under that doormat you now find the South Australian senators. They are even worse than a doormat. Lift that doormat up and out scuttle the South Australian senators! It is pretty awful, I have got to tell you. But National Party senators, do not feel too bad. Senator Edwards will scuttle out from under that doormat and you will know that he is even more jelly-backed than you lot in the National Party!

We can joke about it all we like, but this is a very serious issue. All of the welfare groups that have looked at this piece of legislation have said it is unfair, it is not acceptable, it is going to make the poorest people in this country pay a price.

*Senator Seselja interjecting—*

**Senator CAMERON:** Senator Seselja is yap, yap, yapping away in the background. Senator Seselja will not stand up for public servants in Canberra. He has absolutely no capacity to look after any of his electorate. Senator Seselja, when they scuttle out from under the doormat, I will bet you are one of them!

*The ACTING DEPUTY PRESIDENT (Senator Bernardi):* Order! Senator Cameron, address your remarks through the chair.

**Senator CAMERON:** I apologise. Through you, Acting Deputy President, Senator Seselja will be scuttling out from under the doormat and he will say to the public servants, 'Oh, I'm sorry, I can't do anything for you.' Of course he cannot do anything for them—you have got to have a backbone before you can do something for your electorate! You have got to have a bit of courage, a bit of commitment. Stand up. Do not try to climb up the greasy pole, Senator Seselja. Stand up for your electorate. Stand up for the poorest in this country. You actually chaired this Senate inquiry—

*The ACTING DEPUTY PRESIDENT:* Senator Cameron, address your remarks to the chair.

**Senator CAMERON:** Senator Seselja was the chair of this inquiry for some of the period. So you have got to say that Senator Seselja has got absolutely no compassion for the
unemployed, absolutely no understanding of the needs of the unemployed. People came to that Senate inquiry and said, 'Senator Seselja, you've got it wrong.' They were looking around for Senator Seselja and they could not find him because he was under the doormat! They made submissions to Senator Seselja but they could not find him, they did not know where he was. He was under the National Party doormat and he was screwing unemployed Australians. (Time expired)

Senator SIEWERT (Western Australia—Australian Greens Whip) (13:49): The Greens will be opposing the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill. We believe this is yet another of the government's ideological attacks on those seeking to find work. Of course, the regulation that we have just disallowed—we had the discussion on it earlier today and last night—was part of that attack on job seekers. As St Vincent de Paul Society Chief Executive Officer John Falzon said to the inquiry, there are so many reasons why people find themselves on the pathway to despair instead of the pathway to employment. This is clearly what the government does not understand. They think people do not find a job because they do not want to find a job. They do not understand that it is not because they cannot find work. They think it is because they make that choice. They think people make a lifestyle choice. Well, they don't.

This government is not interested in addressing the many barriers that people who rely on income support experience when trying to find work. Instead, the government chooses to punish and humiliate these people, seemingly at every turn in their lives. This unrelenting punishment and demonisation of people trying to find work, in itself, provides another barrier for people who are trying to find work, another disincentive to work. Virtually everybody, except the department, who made a submission to the inquiry into this bill did not support it. Ms O'Halloran, who is the President of the National Welfare Rights Network, said:

Our network opposes the introduction of the bill before you, fundamentally on the ground that we question the purpose of the bill—whether it is actually to punish people or to help people into paid work. We would think that we would all be united in the view that helping a person who is unemployed into paid work would be the goal and we do not believe that this bill will achieve that goal. In fact, we think it will be counterproductive. That is based on our casework experience, real life lived caseload experience, with the heavy penalty system introduced in 2006 and the many changes to that system since that time.

Of course, this is winding back the promises that the Rudd government made to the absolutely horrendous Welfare to Work regime that the Howard government brought in.

Last night Senator Abetz tried to conflate the two discussions about the regulation we disallowed today and this particular bill. He accused me of referring to this bill rather than the regulation. He obviously had not read his own government's explanatory memorandum on the regulation as opposed to this particular bill. Although, I will say that the explanation of the regulation had a very similar statement of compatibility with human rights. The one that I am addressing is, of course, about this particular bill and, coincidently, it uses the same flawed argument about compatibility with human rights. It notes:

The Bill engages the right to work, the right to social security, and the right to an adequate standard of living.

It uses the same sort of ridiculous excuse for demonising and punishing people because they had a right to work. The Human Rights Committee noted the measures of the bill that remove
and limit the ability to waive the non-payment period for refusal of suitable work or persistent noncompliance, and it does say, 'may limit' the right to social security, the right to an adequate standard of living and the right to equality and non-discrimination'. The Human Rights Committee expressed concerns that, notwithstanding the assurances in the explanatory memorandum, it remains:

… unclear how limiting the availability of a waiver on the ground of a jobseeker’s severe financial hardship, or because a jobseeker agrees to undertake more intensive activities, such as Work for the Dole, would achieve the stated objective of the measures.

The Human Rights Committee considered that:

… the characterisation of the bill—
in the explanatory memorandum—
as promoting the right to work by providing 'a stronger incentive to accept an offer of suitable work', is not an accurate assessment of the limitation on human rights …

The committee suggested that the bill also has the potential, disproportionately or unintentionally, to impact negatively upon particular groups resulting in the engagement or limitation of the rights to equality and non-discrimination. This is from the Parliamentary Joint Committee on Human Rights, and they have found that there are significant issues. I also note that the Community Affairs Committee reported on this legislation just this week, but the minister had not responded to that particular point.

This bill does have an impact on job seekers. It has a negative impact on job seekers. A decision to take away all of someone's income support is very serious and can have catastrophic impacts on people's lives. This is another part of a calculated, cruel attack on job seekers and those on income support. It is harsh and, of course, as many of the government's other measures will do, it impacts disproportionately and heavily on the most vulnerable people in our community. But, of course, the government know that because this is part of the approach they are taking through the budget. It is quite obvious that their approach is to demonise, to punish and to be harsh on the most vulnerable in our community.

The government have this flawed thinking that, if you take harsh approach and push and push the most vulnerable, those that are trying to find work, they will suddenly see the light and think that a job is a good idea. There are hundreds and thousands of people anxiously looking for work. There are only just under 150,000 available jobs currently. So, no matter how much you push and punish people, take away their rights and seek to have stronger penalties, you will not be able to encourage people into jobs that just are not there. This will simply make life harder.

As the people who are at the coalface of working with the most disadvantaged and pick up the pieces as a result of the government's flawed policy approach say, as Ms O'Halloran said: 'It is counterproductive.' As Dr Mestan said as part of the Community Affairs Committee inquiry:

Worse than ineffectual, the policy is likely to be counterproductive because, once a person is sanctioned, they have no incentive to meet requirements, whereas in the current regime, where payments are recommenced upon compliance, there is a strong incentive for a sanctioned person to quickly meet requirements.
Part of the concern that the Greens have is that the longer people are disconnected with the system the harder it is for them to re-engage. Surely that is what we want. We actually want people who make a mistake to be able to re-engage with the system and to be able to then continue with their participation plans, which they will have worked out. Dr Mestan said:

… the main aim does not seem to be to get people into employment. I feel it can be counterproductive. It could prevent people from getting employment, because they will be sanctioned even if they try to re-engage in intensive activities.

This bill discourages people from re-entering the system quickly, which we know is much better and will lead to much more positive outcomes. This bill is unnecessary, particularly if the government were looking at a more incentives based approach and if it were genuinely addressing the barriers that people are facing to employment. They just are not. This bill assumes that everybody can get a job if they just look hard enough, if they just try that little bit harder. People are trying to find work, but, as I said, the jobs are not available for those people. So, the government are punishing people simply for not being able to find a job. Stronger penalties for people that cannot find work will not help people engage with the system if there are no jobs to be found.

Part of the problem that we have with this bill is the cumulative effects of all the changes that are coming under both the budget and other measures that the government are bringing in. We are desperately concerned that the most vulnerable Australians already face many barriers to employment, and remember that they are living in poverty. They are living on Newstart. If you are under 25 you are living on Youth Allowance. You live on less than $36 a day on Newstart. If you are living on Youth Allowance you are living on less than that. Here you have a group of extremely vulnerable Australians who are living on less than $36 a day. They are trying to meet all their requirements and they are trying to exist in poverty. Poverty itself is a barrier to employment. These people are the ones that we are talking about who will be subject to these stronger penalties because they potentially may make a misstep. This bill takes away the ability for the penalties to be waived. We do not think that is good policy.

The PRESIDENT: Order! It being 2 pm, Senator Siewert, the debate is interrupted for question time.

DISTINGUISHED VISITORS

The PRESIDENT (13:59): Order! I draw to the attention of honourable senators the presence in the gallery of the Australian Political Exchange Council's 22nd Delegation from the People’s Republic of China. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate.

Honourable senators: Hear, hear!

The PRESIDENT: I also wish to acknowledge the presence in separate galleries—and I draw no conclusion from that—of former Senator Ross Lightfoot and former Senator Mark Furner. Welcome.

Honourable senators: Hear, hear!
QUESTIONS WITHOUT NOTICE
Revenue

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (14:00): My question is to the Minister representing the Prime Minister, Senator Abetz. I refer to the Minister for Defence's statement yesterday on the GST that:

... 38c in the dollar for Western Australia is, firstly, not sustainable and, secondly, unfair.

Is the Minister for Defence correct?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:01): The government's position on this is very clear. For any change to occur to the GST distribution, there requires to be a unanimity of view between the premiers, chief ministers and the Prime Minister. Indeed, the view that was expressed by Senator Mark Bishop, a former Labor senator from Western Australia—not unsurprisingly, has found a degree of support in Western Australia. But let's be exceptionally clear on this: the government's view on this is well known and the agreement between the states and the Commonwealth is well known.

Senator Moore: Mr President, I rise on a point of order. My point of order is on direct relevance to the question. It was about the statement from the Minister for Defence about the GST and asking whether the minister agreed with his comrade, the Minister for Defence.

The PRESIDENT: Thank you, Senator Moore. The minister was asked also about the GST and in relation to the defence minister's comments. The minister is being directly relevant. Minister, you have the call.

Senator ABETZ: Mr President, Senator Johnston is not a comrade; he is a brother to me, and I am delighted to see Senator Johnston working with this government to try to achieve the very best outcome. It stands to reason that the Senate, which is the states house, will from time to time have people championing their specific state. However, the government's view—and that is what I was seeking to express prior to Senator Moore's point of order—in this area is very clear, and question time is usually devoted to matters of government and government policy, not to my personal views on somebody else's personal views.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (14:03): Mr President, I ask a supplementary question. I refer to the Minister for Defence's statement in the Senate yesterday that, 'Tasmania has been a mendicant state.' Does the minister agree?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:03): The senator is very clear in what she said. She said 'has been' a mendicant state. As of March this year it is no longer so, because good government has been delivered to the people of Tasmania through the ballot box by electing Will Hodgman as the Premier. As we speak—or very soon hereafter—Treasurer Peter Gutwein will be delivering their first budget, which will restore Tasmania's fortunes.

I agree with Senator Johnston that, unfortunately, the mentality of the Labor and Labor-Green governments that were inflicted on Tasmania for the past 16 years was a mendicant mentality. But the people of Tasmania have thrown themselves free of those shackles by
electing a majority Liberal government, and today we Tasmanians, Senator Urquhart, are going to get the benefit of the first Liberal budget in 16 years. *(Time expired)*

**Senator URQUHART** (Tasmania—Deputy Opposition Whip in the Senate) (14:04): Mr President, I ask a further supplementary question. How is the defence minister's position on the GST consistent with the Prime Minister's pre-election promise that there would be no changes to the GST?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:05): It might come as a surprise to the honourable senator—as we know that from her side when a government or party says, 'There will be no carbon tax,' it is a promise that will not be honoured. But when we on this side say that there will be no change to the GST, she can rely on that promise, as can all Australians.

**National Security**

**Senator REYNOLDS** (Western Australia) (14:05): My question is to the Attorney-General, Senator Brandis. Can the Attorney-General explain why bipartisanship is so important on the question of national security?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:05): I thank you, Senator Reynolds, for that question. Senator Reynolds, as honourable senators may be aware, has a particular knowledge of the matters concerning national security, having been herself a former brigadier general in the Australian Army Reserve and a former adjutant general of the Australian Army. So thank you very much indeed, Senator Reynolds, for asking me that question.

It is very important that we maintain an attitude of bipartisanship when it comes to matters of national security because, as I explained yesterday and the day before yesterday and as the Director-General of Security, Mr Irvine, pointed out in his speech to the National Press Club yesterday, the level of domestic threat to Australia from terrorism, arising in particular from recent events in the Middle East, in Syria and in Northern Iraq, and the activities of the terrorist group ISIL—now seeking to establish a caliphate in Syria and Northern Iraq—presents a higher level of threat than we have seen for some time.

In that regard, I want to acknowledge and thank the Leader of the Opposition, Mr Shorten, for his remarks yesterday morning. When asked about this, he said: When it comes to national security, Labor sees this as a matter above politics. Mr Shorten is right. It is a good thing that he said that and it behoves all the members of the Senate to observe the injunction that Mr Shorten has given. We appreciate and acknowledge the Labor Party's bipartisan support for the important measures in which the government has embarked to keep our country and our people safe.

**Senator REYNOLDS** (Western Australia) (14:07): Mr President, I ask a supplementary question. Can the Attorney-General inform the Senate what the government is doing to encourage bipartisanship?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:07): The
government is keeping the opposition close. Many of the measures that we are introducing were in fact the outcome of a bipartisan report of the Parliamentary Joint Committee on Intelligence and Security that was tabled at the end of the last parliament—I want to acknowledge Mr Anthony Byrne, the member for Holt, who chaired that committee, for his work.

In recent weeks, the opposition has been briefed on no fewer than five occasions by the government and agencies. Mr Dreyfus has been briefed on all five occasions. Mr Shorten participated in two of those briefings and Ms Tanya Plibersek participated in three of those briefings. The briefings were given by the Director-General of Security, Mr Irvine, by the officers of the Attorney-General's Department and my office. We will continue to keep the opposition informed as we appreciate their bipartisan support.

Senator Reynolds (Western Australia) (14:09): Mr President, I ask a final supplementary question. Can the Attorney-General inform the Senate what the government is doing to engage the broader community on the current national security environment and proposed new laws?

Senator Brandis (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:09): One of the things we are doing, Senator Reynolds—and this was part of the package of measures the Prime Minister, the Minister for Foreign Affairs and I announced on the 5 August—is investing additional money in community engagement.

I met with the Islamic community leaders on 2 July. Last week the Prime Minister met with the Islamic community leaders in Sydney, and the Prime Minister and I, together, met with Islamic community leaders in Melbourne. Tomorrow I will be meeting with Islamic community leaders in Sydney once again and next week in Melbourne once again.

As I have said many times, the moderate mainstream of the Islamic community are our essential partners in this task and we will keep them close and engaged. As the Prime Minister and I committed to them, we will develop these measures in collaboration and cooperation with them, because we acknowledge their importance in these measures.

Distinguished Visitors

The President (14:10): Order! I draw the attention of honourable Senators to the presence in the gallery of one of our former colleagues, none other than the former president Alan Ferguson. We welcome him to the Senate. It is good to know there is so much interest being shown in the Senate by former colleagues.

Honourable senators: Hear, hear!

Questions Without Notice

Australian War Memorial

Senator Gallacher (South Australia) (14:10): My question is to the Minister for Veterans' Affairs, Senator Ronaldson. I refer to the minister's decision to cut $800,000 from the Australian War Memorial's Travelling Exhibitions program during the first year of Australia's World War I commemorations. I also refer to the minister's explanation that it was 'unfortunate' if the memorial had commissioned any more exhibitions as the memorial had received an official warning in May. Given the statement by the War Memorial, 'At no stage...
before 14th August, were we given any indication that the future funding for travelling exhibitions was at risk,' I ask the minister who are we to believe?

**Senator RONALDSON** (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:11): I thank the honourable senator for his question. The Labor Party is very quick with these issues. It ran about three days ago, but I am happy to take it from the back of the QTB and put up with the hot issues again. I say to the honourable senator that this decision was made on the back of me as minister and the department to make some judgements about what expenditure we are going to put into various areas over the next four years. I think it is a pity that the shadow minister, who was talking about this being a $10 million program, is clearly not across his brief, clearly knows absolutely nothing about this and was actually talking about this in the context of a budget cut. Can I make it absolutely clear to the chamber that the budget for DVA this year is exactly the same as what the budget was in the first year of your—

**Senator Wong:** Mr President, I rise on a point of order going to direct relevance. Minister, there was no mention of the budget. The question goes to an inconsistency between the minister's explanation and the War Memorial's statement—an inconsistency between what the Minister for Veterans' Affairs has said and what the Australian War Memorial has said. I ask you to ask him to return to the question.

**The PRESIDENT:** The question also contained an issue pertaining to a cut in funding, and the minister was addressing that portion of the question and he still has nearly half of his time to answer the question.

**Senator RONALDSON:** I say to the honourable senator that this is a program that has been running for a number of years. We are talking about $800,000 as he indicated as opposed to the $10 million that the shadow minister referred to. But under this agreement, it is a memorandum of understanding signed by the former government. Under that memorandum of understanding, either party can give notice of its intention to—

**Senator Moore:** Mr President, I rise on a point of order going to direct relevance. It is about the issue. The specific question is about the statement from the War Memorial about the timing of the knowledge from the department or the minister. We have now only got 16 seconds left and we have not got to that part of the question.

**The PRESIDENT:** I remind the minister of the question. The minister has the call.

**Senator RONALDSON:** I cannot imagine being any more relevant to the question. In the time that is left available to me now—that memorandum was signed and it was as a result of discussions with the department that we decided—(Time expired)

**Senator GALLACHER** (South Australia) (14:14): Mr President, I ask a supplementary question. Is the minister aware that one of the closed travelling exhibitions is 'Remember me: the lost diggers of Vignacourt', donated by Kerry Stokes, who is very distressed by the cut? Why did the minister announce just this month that this exhibition would be touring Australia over the next few years?

**Senator RONALDSON** (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:15): I thank the honourable senator for his question. The War Memorial will be receiving $47.8 million in this budget, up from $40 million in the last Labor budget. We have actually increased funding
for Australian schoolchildren to come to the War Memorial to experience the most magnificent of our institutions.

What you need to understand is that I did not do this with any joy, but we have some very big decisions to make in relation to this nation over the next four and 10 years. One of those is: how is this nation going to respond to the 71,500 young men and women who have served this nation overseas in the last 20 years? You may well be prepared to sit back and let this nation do to them what we did post-Vietnam, but I, most assuredly, am not prepared to do so.

(Time expired)

Senator GALLACHER (South Australia) (14:16): Mr President, I ask a further supplementary question. Having slashed funding to the Australian War Memorial, cut veterans' pensions by reducing indexation, cut $217 annual payments to children of war veterans and axed three months of backdating of veterans' disability pensions for new recipients, can the minister tell us what area of his portfolio is next on the chopping block?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:16): What a pathetic question that is. I will tell the honourable senator that one of the first things I had to do within three days of getting sworn in was find $1.3 million for the Albany commemorative event because the Australian Labor Party thought they had a lot of great ideas but had no money to pay for them. I was required to find $1.3 million from a budget that was the same as yours in the last term of the Labor government.

Yes, we have financial stresses. I take no issue with that. But I am going to make decisions that will ensure that we can look after contemporary veterans and hold commemorative events because I have an investment in the young people of this country, who I want to understand what their obligations will be in the future to these men and women who have served this nation.

Iraq and Syria

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:17): Mr President, my question is to the Minister representing the Prime Minister, Senator Abetz. Now, more than a decade after the Australian government followed the United States and United Kingdom in the coalition of the willing into the 2003 Iraq war without consultation with the Australian parliament and without a statement of Australia's national interest, resulting in the deaths of almost 5,000 coalition troops and over 100,000 civilians, can the minister point to the lessons that the Prime Minister has learnt from that decision that he will now apply in the current situation, with the United States again reportedly considering seeking Australian participation in a coalition of the willing for military action in Iraq and Syria?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:18): I think every Australian—indeed, every civilised human being on the planet—would have been absolutely horrified by the vision that has been broadcast worldwide in relation to the activities that have been taking place in Iraq and Syria of recent times.

Senator Whish-Wilson: What caused it in the first place?

Senator ABETZ: Senator Whish-Wilson has interjected, asking, 'What has caused that in the first place?' I am glad that that is on the Hansard, but I will not dignify it with a response.
That the Australian Greens would seek to make politics out of such an ugly situation where we have seen pictures on social media of an Australian and his young child holding a severed head is regrettable. I think every person who believes in civilisation and in genuine peace and freedom would be highly alert to this evil force that is in play in Syria and Iraq not being allowed to get a greater foothold. Indeed, the lessons of history are that, when you see such an untold evil such as is occurring in Iraq and Syria, if you do not seek to stop it in its tracks you will have greater problems in the future, with greater loss of life. As to what— (Time expired)

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:20): Mr President, I ask a supplementary question. Given the minister's answer, can he say whether he is aware of the Australian Defence chief Mark Binskin's assessment that ISIL will sooner or later have to be 'defeated on the battlefield'? If so, is that the Prime Minister's view and does that mean that the Prime Minister remains open to deploying Australian military service men and women to Iraq and Syria?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:21): It is not for me to try to second-guess the views of the CDF, but I suppose an alternative would be to send Senator Milne over there to say, 'Please stop,' and see how that works. However, the reality in the world is that, from time to time, military action may be required. Whether it is or is not in these circumstances, I am not going to seek to pre-empt. The relevant authorities and the relevant responsible people will make that decision, if it needs to be made, in due course after taking every single possible factor into account. Can I simply say that under our constitution the Governor-General is in charge of our defence forces. (Time expired)

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:22): Mr President, I ask a further supplementary question. Given that the minister has shown that the government is clearly open to deploying troops, will the government now commit to bringing any proposal to deploy troops to fight ISIS to the Australian parliament for debate and decision?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:22): Mr President, one, I will not have Senator Milne putting words into my mouth, and nothing in my answer said that we were clearly open to that proposition; two, the way that the Australian government has worked in relation to these matters since Federation is that these are matters for the executive and are the prerogative of the executive. In matters of conflict it would not necessarily be the smartest thing to have a fortnight or three weeks of debate, if you were to go down that track, in hypothetical circumstances, and tell the enemy: 'Guess what? We're going to have a discussion here as to whether we're going to put a tank here or an aeroplane there, and the Senate is going to amend how many trucks we're going to have.' I think we will leave that up to the military strategists and those that genuinely put their lives on the line for our safety, our peace and our security.

National Security

Senator JACINTA COLLINS (Victoria) (14:24): My question is to the Attorney-General, Senator Brandis. I quote from the Attorney-General's humiliating interview on Sky News on the proposed changes to metadata collection, in which he said:

What people are viewing on the internet when they web surf is not going to be caught. What will be caught is the web address they communicate to.
Does the Attorney-General stand by that explanation?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:24): Thank you, Senator Collins, for at last asking me a question since you have been the shadow spokesman in the Senate. Yes, Senator Collins, you are absolutely correct that the government has no intentions of collecting a person's web-surfing history. The instruction that we have given to those who are preparing legislation makes it clear that we have no intention of asking for that material to be collected. As I explained to Senator Ludlam when he asked about this matter yesterday, we are not asking for any additional powers for the agencies in relation to metadata, nor are we asking the telecoms providers and the ISPs to do anything beyond what they currently do. But we are concerned that with changing business practices, and in particular changing practices in relation to business records, there may be a degradation of capacity, which is why the government, on 5 August, made an in-principle decision to mandate for the retention of metadata. You have to distinguish entirely, Senator Collins, between that requirement and the legislation to provide the agencies with new powers. That is a separate issue. We are not asking for any additional powers in relation to metadata at all.

**Senator JACINTA COLLINS** (Victoria) (14:26): Yes, Attorney, I do understand what the issue is. Mr President, I ask a supplementary question. I refer again to the Attorney-General's comments on Sky News, including the explanation: 'What the security agencies want to know, what they want to be retained, is the electronic address of the website that the web user is using.' They are your words, Minister. Given that the government's discussion paper on this issue now excludes destination IP addresses, or URLs, can we now be confident that this will be the case? *(Time expired)*

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:26): Yes. Senator Collins, as I explained to Senator Ludlam yesterday and as I am trying explain to you, we have given certain instructions in relation to the legislation that is being prepared for the retention of metadata. Those instructions have made clear that a person's web browsing history will not be retained. That has never been the government's intention. It will not be retained, and I never said anything to the contrary.

**Senator JACINTA COLLINS** (Victoria) (14:27): That comment will stand against the quotes that I just alluded to. Mr President, I ask a further supplementary question. Can the Attorney-General confirm that the Minister for Communications was only informed of the proposed changes to metadata collection after he read about it in the *Daily Telegraph*, and has the Attorney-General thanked the communications minister for cleaning up his mess?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:27): We have a lot to be thankful to the communications minister for, because to a greater extent than anybody else in this parliament, including, if I may say, your good self, Senator Collins—

*Senator Conroy interjecting—*

**Senator BRANDIS:** or you, Senator Conroy, Mr Turnbull has a deep and sophisticated knowledge of this area. Senator Collins, what you need to grasp in your mind, what you need to grapple with, is that, unlike the previous government, this government runs an orthodox
cabinet process, and all decisions of cabinet are the collective decisions of all members of cabinet.

**Dairy Industry**

**Senator LAZARUS** (Queensland—Leader of the Palmer United Party in the Senate) (14:28): My question is to the Minister representing the Minister for Agriculture, Senator Abetz. Australian farmers are doing it tough. In my home state of Queensland over 75 per cent of the state is drought declared. Food security is a national issue and one which the federal government should be protecting and promoting. Since the commencement of the Coles-initiated milk price war in 2011 some 100 dairy farmers in Queensland have been forced to close their businesses. What is the government doing to protect the interests of dairy farmers in Australia?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:29): The Leader of the Palmer United Party in the Senate is quite right to draw attention to the difficulties being faced in the rural sector, and today he has particularly referred to the dairy sector. Whenever the primary sector is faced with drought, there are, of course, very real problems, because they are often price takers; and no matter how hard they work or how efficient they are, they are subject to the vagaries of the weather. That, of course, does put them in some extreme difficulties and that is why, as a government, we do have drought relief policies and other assistance to try to assist the rural community generally.

In relation to the dairy farmers per se, I would draw the Leader of the Palmer United Party's attention to the good work of my colleague, the Minister for Trade and Investment, Andrew Robb. The two free trade agreements that he has been able to negotiate with Japan and South Korea will see a huge surge in export potential for our dairy sector. That helps to create new competitive markets, and it is one of the pillars, if I may say, of our agricultural policy. It is one of our strengths and we are playing to one of those strengths in the dairy sector. In my home state of Tasmania, we are assisting the dairy sector, in a roundabout way, by offering support to Cadburys. An extra 6000 dairy cows will be required for its expansion, which will see an extra 20,000 tonnes of chocolate being exported from Tasmania to South-East Asia.

**Senator Milne:** You still have not paid them a cent.

**Senator LAZARUS** (Queensland—Leader of the Palmer United Party in the Senate) (14:31): Mr President, I ask a supplementary question. Given the importance of the dairy farming industry in Australia and the need for Australia to be able to access fresh, high-quality and locally-produced dairy products, it is imperative that the interests of Australian farmers are protected. What is the government doing to address and stop the predatory practices of large and powerful supermarket chains which negotiate unfair and unjust contract with farmers—contracts that clearly undermine the survival and success of Australian farmers?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:32): I think many Australians do wonder, when they go to the supermarket, why a bottle of water costs more than the equivalent volume in milk. People are quite right to question that. However, in
relation to these operations within the marketplace, it is the view of successive governments that the best approach to these matters is not necessarily to have the ham-fisted approach of government, but to have regulatory authorities undertake the task of ensuring that no undue market pressure is brought to bear. That is why we have the ACCC. Whether the ACCC is performing its tasks sufficiently in that area is a matter of community debate, I understand. It is an appropriate debate in a free country like ours to have matters— *(Time expired)*

**Senator LAZARUS** (Queensland—Leader of the Palmer United Party in the Senate) *(14:33)*: Mr President, I ask a further supplementary question. The government says a lot of things are happening, including reviews, but really all of this means nothing unless there are real solutions and positive outcomes for Australian farmers. Will the government consider developing a mandatory code of conduct to cover the whole domestic dairy supply chain?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) *(14:33)*: I have just been advised that on 6 August the Treasury released a draft food and grocery code consultation paper for public comment. I would suggest to the good senator that often it is good to get community consultation, to liaise with the community, to ensure that you come to a proper landing on some of these vexed issues. That is what we as a government, from the agriculture and Treasury portfolios, are seeking to do in this space—which is clearly a vexed space—but we want to ensure that there is genuine justice for the dairy farmer, for the retailer and, most importantly, for the consumer. That is the landing we are trying to achieve, and with community consultation and this review we hope we will be able to achieve such an outcome.

**Hearing Awareness Week**

**Senator WILLIAMS** (New South Wales) *(14:35)*: My question is to the Assistant Minister for Health, Senator Nash. Noting that this week—I will speak up for those opposite—is Hearing Awareness Week, can the minister inform the Senate of the importance of this cause? Can the minister also inform the Senate what the government is doing to improve the hearing of Australians affected by hearing loss?

**Senator NASH** (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) *(14:35)*: The government is a proud supporter of Hearing Awareness Week. This year's event runs from 24 to 30 August with numerous events to be held across Australia. Hearing Awareness Week is celebrated annually and is coordinated by the Deafness Forum of Australia. This year's theme is: 'How loud is too loud?' It is aimed at informing people of how much noise we are exposed to on a daily basis.

An estimated three and a half million Australians are affected by hearing loss to varying degrees, half of whom are working age. This figure is estimated to rise to one quarter of all Australians by 2050. Exposure to noise is a known cause of about one third of the cases of hearing loss, and it makes this year's theme a timely reminder towards prevention. Free information and screening sessions will be held around the country this week to build awareness of the signs and symptoms of hearing loss and the additional health implications. More information about the events being held around Australia can be found on the Hearing Awareness Week website.
While hearing loss cannot always be prevented, there are a range of treatment options available that have the potential to improve one's standard of living—in particular, hearing aids. Through the Department of Health we are providing eligible Australians with access to quality and affordable hearing services through the Hearing Services program. The Australian government will invest $424 million this year in the Hearing Services program. Since 1997 1,791,000 clients have registered with the voucher program—with 647,000 clients last year. The program aims to provide eligible Australians with access to hearing services and devices that help them to better manage their hearing loss and maximise their communication ability.

**Senator WILLIAMS** (New South Wales) (14:37): Mr President, I ask a supplementary question. I thank the minister for her answer. Can the minister advise the Senate of the purpose and value of the online Hearing Services portal, which was launched by the Australian government earlier this year?

**Senator NASH** (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:37): A key update to the Hearing Services program, which was launched earlier this year, is the Hearing Services’ online portal. The portal provides clients with faster access to services, enabling them to lodge voucher applications electronically, with the potential to receive services on the same day, which significantly reduces the waiting time for services. The portal also enables hearing service providers to manage many administrative task themselves and eliminates the use of paper forms to streamline the assessment and approval process.

Between February and June this year, more than 80,000 applications were processed through the portal. That is a significant reduction in red tape for service providers and the Department of Health. One audiologist remarked to me yesterday that the processing time for application paperwork has been reduced from seven weeks to about 40 seconds, which is improving the service and making sure that people get the help they need sooner.

**Senator WILLIAMS** (New South Wales) (14:38): Mr President, I ask a further supplementary question. Can the minister also explain to the Senate what the government is doing to improve the hearing of Aboriginal and Torres Strait Islander children?

**Senator NASH** (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:38): The government is committed to improving the health of Aboriginal and Torres Strait Islander children. We acknowledge the importance that good hearing has for social, education and health outcomes. A priority for the government is to support Indigenous children to be school ready. Good health and hearing are key to this.

An example of this is the continued support to the Healthy Ears—Better Hearing, Better Listening Program to improve access to ear and hearing health services for children and youth living in rural, remote and urban locations. Through this program, a range of health professionals—such as GPs, nurses, medical specialists, speech pathologists and audiologists—support children and families to access health care in their home locations through an outreach model. In total, we are providing around $30 million over four years to primary health care services to better manage ear disease through a range of programs, including outreach health services in rural and remote areas.
Higher Education

Senator RHIANNON (New South Wales) (14:39): My question is to the minister representing the Minister for Higher Education, Senator Payne. Considering that today your government released its higher education bill, which if passed would mean that the size of a parent's bank balance will determine a young person's opportunity to study and learn at our public universities, can you confirm if there is a single new student who otherwise would not have enrolled in a bachelor degree at a private higher education provider who will take up their studies as a result of the government's proposed funding changes that were introduced into the House this morning? Can you guarantee that there will be one new student?

Senator PAYNE (New South Wales—Minister for Human Services) (14:40): I thank Senator Rhiannon for her question. I did not quite get the end of the question that Senator Rhiannon asked, but what I can absolutely guarantee to the Senate and Senator Rhiannon is that if the Senate is minded to support the legislation—as the House of Representatives has done and as groups like Universities Australia have encouraged the Senate to do just today, albeit with some amendments—then there will be chances for significantly larger numbers of young Australians to take part in higher education in this country.

For the first time, there will be Commonwealth funding for sub-bachelor places in private institutions and for diplomas, associate diplomas and so on. For first time ever we will open up those pathways to increase and encourage greater participation for Australian students. We will provide more choice. We will follow on from the opening up of the demand-driven approach that the previous government adopted to make it demand driven across the entire sector. That is a glaring gap that has been commented on in several reports.

Those changes will enable significantly larger numbers of students to participate in higher education in this country. It will give them more choice, it will give them more opportunity and it will give universities a chance to really showcase the sorts of things that they can do through the Commonwealth scholarship scheme, which will also enable larger numbers of students—particularly those from lower socioeconomic backgrounds—to attend our higher education institutions. All of that, as part of this reform package, will bring to Australia's young people, those wishing to study and those who may not otherwise have been able to go to university before the opportunity to follow that path, to follow it across Australia and to follow it with far greater opportunity and choice.

Senator RHIANNON (New South Wales) (14:42): Mr President, I ask a supplementary question. To repeat my question: can you guarantee that there will be one new student who would not have enrolled in a bachelor degree at a private higher education provider? Is it not the case that your policy will deliver half a billion dollars' worth of public subsidies to private, for-profit providers without being able to guarantee any extra student enrolments?

Senator Cormann: I think that is Greens mathematics!

Senator PAYNE (New South Wales—Minister for Human Services) (14:43): I think I agree with my colleague, Senator Cormann. I think that may be a version of Greens mathematics with which I am not familiar! What I can actually indicate to the Senate is that for the first time students who wish to take up opportunities in organisations, including private institutions, will have Commonwealth-funded opportunities and support to do that.
We actually think an expansion to perhaps an extra 80,000 students by 2018 is an extraordinary opportunity for those wishing to take up study.

It may be through a diploma, an associate diploma or another sub-bachelor qualification; but that diversity, that choice, that opportunity and that support from the Commonwealth has not previously been available to those students. We intend to change that. We intend to make sure that students who might not otherwise have had the chance to study in higher education can now do that, no matter where they come from—whether it is lower socioeconomic areas or elsewhere. (Time expired)

Senator RHIANNON (New South Wales) (14:44): Mr President, I ask a further supplementary question. How do you justify the government's assertion that student debt is a dominant influence on an individual's decision about university enrolment, when the research you quote on this was undertaken in 1999? Does the fact that this data is more than 15 years old and all the data you can find highlight that under your skyrocketing fee regime young people could well be deterred from going to university?

Senator PAYNE (New South Wales—Minister for Human Services) (14:44): I am not sure that the premise of Senator Rhiannon's question is something with which I agree. What will happen under deregulation is that universities and other higher education institutions will compete for students. That sort of competition is going to prevent exorbitant fees. We believe that higher education institutions are best placed to determine how to maintain and promote a world-class higher education system. So, from 2016, institutions will be responsible for setting their own levels of student contributions. Frankly, when universities compete for students, students win. They win in terms of the range of courses that offered, they win in terms of the quality of teaching, they win in terms of the quality and diversity of student support they receive and they win in terms of value for money. We can be confident that some fees will go down because we are providing Commonwealth supported places for many courses which were not previously supported. (Time expired)

Racial Discrimination Act 1975

Senator SINGH (Tasmania) (14:45): My question is to the Attorney-General, Senator Brandis. When was the Attorney-General first informed of the Prime Minister's decision to dump his signature 'rights to be bigots' reform to section 18C?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:46): Senator Singh, the Prime Minister announced that decision, if my memory serves me correctly, on 5 August following a meeting of cabinet which made that decision on that day.

Senator SINGH (Tasmania) (14:46): Mr President, I ask a supplementary question. I refer to the Attorney-General's interview on Sky News less than 24 hours before the government's backdown, where the Attorney-General said, 'We don't need section 18C.' Can the Attorney-General confirm that he was only told the Prime Minister would roll him on the morning of the joint press conference, and is this the orthodox cabinet process the senator previously referred to?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:46): Indeed, Senator Singh, it is a very orthodox cabinet process for the cabinet to arrive at decisions and
for those decisions to be announced. The decision was made on 5 August and the decision was announced later that day.

Senator SINGH (Tasmania) (14:47): Mr President, I ask a further supplementary question. Does the Attorney-General support retaining section 18C of the Racial Discrimination Act in its current form or does he stand by his statement that people do have a right to be bigots?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:47): The Prime Minister announced, following a decision of the cabinet on 5 August, that the government's proposal to change section 18C had been taken off the table. That is the position of the government.

Dementia

Senator SESELJA (Australian Capital Territory) (14:48): My question is to the Minister for Social Services, Senator Fifield. Can the minister update the Senate on the government's consultations with the aged-care sector following the decision to cease the dementia and severe behaviours supplement? Can the minister also advise the Senate why the decision was taken to cease the dementia and severe behaviours supplement?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:48): I thank Senator Seselja for his question. At the outset I should make clear that the decision to conclude the severe behaviours supplement is not one that the government took lightly. The supplement was introduced by the previous government in August 2013, but as colleagues on this side know and as so often is the case with their decisions, their policies result in cost blow-outs and their policies are very poorly designed.

Just to evidence this, as colleagues may remember, the supplement was budgeted last financial year at $11.7 million. It in fact came out at $110 million—nearly 10 times that which was budgeted. The previous government estimated that 2,000 people would be eligible for the supplement, but as of March 2014 providers were claiming the supplement for more than 25,000 people. If that claiming pattern were continued, projections by the Department of Social Services show that the supplement, rather than costing $52 million over the forward estimates, as the previous government budgeted, would in fact cost $780 million over the forward estimates, and over a 10-year period it would cost $1.5 billion. Therefore, the fact that the supplement was suspended and concluded is fairly and squarely the responsibility of those opposite because of their design.

Nevertheless, the government is committed to working with the sector to find an alternative way to support people with severe behaviour in residential care. The government has been consulting with the sector and there will be a forum held in coming weeks to bring together relevant stakeholders to consider strategies to improve and promote dementia care in residential settings.

Senator SESELJA (Australian Capital Territory) (14:50): Mr President, I ask a supplementary question. Can the minister advise the Senate what the coalition government is doing to support people with dementia living in residential aged care?
**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:50): I can inform the Senate that people with dementia living in residential aged care are being well supported. It is important to make clear to colleagues that the severe behaviours supplement was never paid directly to people with dementia. It was paid to residential aged-care providers who applied for funding. The supplement was not intended to be a top-up for general dementia care in aged-care settings, nor was it the prime mechanism for funding the care of people with dementia.

Funding continues to be available for providers, including for needs associated with dementia, through subsidies determined using the Aged Care Funding Instrument. It is a requirement of Commonwealth funding that each resident receive care of a quality nature appropriate to their needs, and we do remain committed to a range of other assistance for people with dementia. Particularly I should note the $200 million that this government is providing for dementia research.

**Senator SESELJA** (Australian Capital Territory) (14:51): Mr President, I ask a further supplementary question. Can the minister also advise the Senate of any alternative policies that have been proposed for dealing with dementia and severe behaviours?

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:52): Yes, I can advise the Senate. Obviously, this government is taking a responsible and prudent approach. That is why we ceased the dementia supplement. We are working with the sector to look at what possible well-targeted alternatives there are. There is an alternative approach, and that is what those opposite have announced. If you flick to the ALP website, you can see that they are running a petition for the reinstatement of the previous dementia supplement according to its previous design. Those opposite have not learnt from their mistake, they have not learnt from their design failure, they have not learnt from the budget blow-out for which they are responsible. I wonder what Mr Tony Burke, the Shadow Minister for Finance, thought last time he jumped on the ALP website and he looked there. He would have slapped his forehead and thought, 'What has Senator Polley done? What has Mr Neumann done? What have they committed to?'

*Senator Polley interjecting—*

**Senator FIFIELD**: Senator Polley, did you get the sign-off of the Shadow Minister for Finance for this announcement? I doubt it.

**Hearing Awareness Week**

**Senator KETTER** (Queensland) (14:53): Mr President, my question is to the Minister for Human Services, Senator Payne. I refer to the celebration of national Hearing Awareness Week. Is the minister aware of criticism to the government's proposed privatisation of Australian Hearing—including from the Deafness Forum of Australia—on the grounds that it will reduce service levels, access, equity, quality and expertise for clients, particularly those from low-income households? Is the Deafness Forum of Australia correct?

**Senator Cameron**: She didn't go this morning.

**Senator PAYNE** (New South Wales—Minister for Human Services) (14:53): It is worth noting that, unfortunately, I had leave yesterday afternoon because I was ill and I was unable to attend the breakfast this morning. So, if you would like to withdraw that, Senator Cameron, be my guest.
Senator Ketter, thank you very much for your question. It is also worth noting that, in the
11 months since the parliament resumed last year, in over 12 sitting weeks, 46 Senate
question times and 193 Labor Senate questions without notice, I still have not been asked a
question by the shadow minister for human services, so it is a great pleasure to receive a
question from Senator Ketter today.

A government senator: Who is it?

Senator PAYNE: You might well ask. What did I say? One hundred and ninety-three
questions were asked by Labor; not one asked by the shadow minister for human services.

Senator Moore: Mr President, I rise on a point of order on direct relevance. We are now
into 1.8 of this answer. The question was about the Deafness Forum of Australia and the
privatisation of Australian Hearing. I do not believe we have got anywhere near that yet.

The PRESIDENT: The minister has more than half the time left to answer the question.

Senator PAYNE: It is worth noting that the slogan for Hearing Awareness Week is: 'How
loud is too loud?' The Department of Finance has commenced—

Senator Kim Carr: Not loud enough for you!

Senator PAYNE: I think I may have got the answer. The Department of Finance has
commenced a scoping study into the future ownership options for Australian Hearing. That is
correct. We, as a government, are committed to ensuring that all eligible Australians,
particularly the most vulnerable, have access to funded hearing services. What the
government has announced at this time is a scoping study. No decision has been made by the
government on the future ownership of Australian Hearing. As anyone who observed the
provisions of the budget for 2014–15 would have seen, the Department of Finance was funded
in that budget to undertake the scoping study.

Senator Moore: Mr President, I rise on a point of order on direct relevance in terms of the
particular question, which was about the response to Deafness Forum. We now only have 14
seconds.

The PRESIDENT: The minister has become directly relevant to the question. Minister, I
remind you that you have 14 seconds left to answer the question.

Senator PAYNE: What the scoping study will assess is capability and competition in the
market, which of course has diversified significantly in recent years, with advisers providing
independent advice and recommendations about possible future ownership options. (Time
expired)

Senator KETTER (Queensland) (14:57): Mr President, I ask a supplementary question. Is
the minister aware of comments by the President of Deaf Children Australia, Leonie Jackson:
It is naive to believe that a private provider could deliver this diverse level of service to Australian
children with hearing loss, given Australian Hearing’s buying power, and the high cost and low returns
of providing these services especially in regional and remote locations.
Is Ms Jackson correct?

Senator PAYNE (New South Wales—Minister for Human Services) (14:57): I thank
Senator Ketter for his supplementary question. A number of issues have been raised with
me—and I am sure with the Assistant Minister for Health, Senator Nash, who of course has
the Office of Hearing Services in her portfolio responsibilities—by various stakeholders in the
portfolio area. As the scoping study itself continues, I am sure that those stakeholders will make those concerns known to the advisers in this area, PricewaterhouseCoopers and Herbert Smith Freehills, and they will also continue to make them known to both myself and the assistant minister in the appropriate ways. I was able to hear from a number of organisations at the breakfast which was held in this building on Tuesday morning and they reflected some of those issues also raised by Senator Ketter. We will continue to receive those views from the stakeholders as the scoping study progresses.

Senator KETTER (Queensland) (14:58): Mr President, I ask a further supplementary question. Won't the privatisation of Australian Hearing make life harder for children, aged pensioners, ex-service personnel and Indigenous Australians with complex hearing needs?

Senator PAYNE (New South Wales—Minister for Human Services) (14:58): Let me make it very clear that the government has not made a decision in relation to the privatisation or otherwise of Australian Hearing. What we are pursuing at the moment is a scoping study in terms of the future ownership of Australian Hearing, but we have not made a decision. I think it is irresponsible and unfair of those opposite to engage in their usual scaremongering when it is clearly the case that the government has not made a decision.

Vocational Education and Training

Senator BACK (Western Australia) (14:59): My question is to the Minister for Veterans' Affairs, Senator Ronaldson, representing the Minister for Industry. In this National Skills Week, can the minister advise the Senate what action the government is taking to deliver a strong and stable skills and training sector so growing cities and regions in my home state of Western Australia can benefit from a skilled workforce that meets industry's needs?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:59): I thank Senator Back for his very important question. National Skills Week is one of the most important weeks on this nation's calendar. This government is committed not only to a stronger economy but to a strong skills base that will enable Australia's young people to make the most of the opportunities that are available.

The Minister for Industry has been extraordinarily busy in this space since the election. The department's VET Reform Taskforce has been consulting widely across the nation. I understand from the minister that the task force has had some 5,000 engagements. Those consultations are continuing and this government is determined to ensure that industry and others have the opportunity to have input into our future plans. We have been listening to industry and to training companies to ensure that these VET reforms are strategic, meaningful and lasting and will strengthen a critical sector of our economy. A highly skilled and capable workforce, as I am sure all in this chamber appreciate, underpins this nation's competitiveness and productivity.

I am proud to confirm again that this government is getting on with providing real support for apprentices. Our trade support loans legislation, which passed this place earlier this year, is about providing those of Australia's young people who wish to take the apprenticeship and training path—which they are entitled to do and which we encourage them to do—with $20,000 loans over four years. This relieves their financial burdens and also increases completion rates for apprentices. (Time expired)
Senator BACK (Western Australia) (15:01): Mr President, I ask a supplementary question. I strongly believe that apprenticeships are the flagship for skills and training. Can the minister update the Senate on how the scheme is going and how it is playing out?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (15:02): I again thank Senator Back for that very important question. The government, through the minister, has released a discussion paper for the $476 million Industry Skills Fund which will deliver over 200,000 targeted training places and training support services. This will assist small- and medium-sized businesses not only in the senator’s home state of Western Australia but right throughout the nation. Since July, when these loans started, the take-up has been fantastic. In the first three weeks of August alone some 1,700 apprentices applied, many of whom are currently in training and many of whom have already received their first cheque. I think that should excite all senators. It is a great opportunity for those young people to make a long-lasting contribution to this nation. (Time expired)

Senator BACK (Western Australia) (15:03): Mr President, I ask a further supplementary question. I thank the minister for those most encouraging figures. Particularly for the benefit of those opposite, can the minister remind the Senate who is eligible for the scheme, including the generous repayment conditions that you have described?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (15:03): I again thank Senator Back. The trade support loans are available to all Australian apprentices who are studying in a skills need area—specifically, an apprenticeship or traineeship with a certificate III or certificate IV qualification that leads to an occupation on the National Skills Need List, such as electrician, cook, plumber, hairdresser or joiner, or an apprenticeship or traineeship with a certificate II, certificate III or certificate IV qualification in agriculture or horticulture.

TSls can be paid regardless of the apprentice's age, existing worker status or income. School based apprentices can also apply for a trade support loan. Apprentices—and I think it is important to note this—will not start repaying their loan until they are earning a sustainable income of more than $50,000. Those who complete their training will get a 20 per cent discount on their loan, meaning they will repay less than they borrowed. (Time expired)

Senator Abetz: Mr President, I ask that further questions be placed on the Notice Paper.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Racial Discrimination Act 1975

Senator SINGH (Tasmania) (15:05): I move:

That the Senate take note of the answers given by the Attorney-General (Senator Brandis) to questions without notice asked by Senators Collins and Singh today relating to data retention and to section 18C of the Racial Discrimination Act 1975.

Senator Brandis has made it very clear today that it is orthodox cabinet process for the leader to override the Attorney-General on his signature policy and to leave it until right at the last minute to tell the Attorney-General he is doing so. We all know that Senator Brandis has staked his career and his 'freedom agenda' on this particular signature policy, so what did he
find to say when he was confronted with this reality—that the Prime Minister had rolled him on his signature policy? On Sky News on 6 August, Senator Brandis said:

Well you know what this business is like … you win a few, you lose a few.

What has Senator Brandis won? In his almost 12 months in the role of Attorney-General for this country he has won nothing. On the other hand, what has he lost? He has lost his credibility, he has lost all respect and he has been completely rolled by the Prime Minister on a signature policy that he had staked his career as Attorney-General on. He lost all that on one of his first pieces of legislative reform, a favour that he wanted to do for his friends in the IPA and for his friend—or the Prime Minister's friend—Andrew Bolt.

One of the chief duties of a politician and of a legislator is to explain one's program and to persuade the public about its value in that constant battle of ideas. So how has the Attorney-General fared in this endeavour? What is his record of victory in that marketplace of ideas? Has he demonstrated the levels of competence in public life that are the basic requirement of the political trade and, indeed, that of an Attorney-General. Let us turn to that first signature policy, a key reform, which, in many ways, Senator Brandis very much staked his career on: the repeal and removal of protections against racist hate speech in section 18C of the Racial Discrimination Act.

For many people, this may not seem a worthy goal, but for Senator Brandis and his ideological gang, including the IPA, it certainly was. How did he proceed in the implementation of it? There is no doubt that, on that first question of explaining what he was doing to the Australian people, he had had some measure of success in the end. For Senator Brandis, the primary right that needed to be defended was, as he so clearly explained, the right for bigots to be bigots. After this statement, it became very clear what he intended. He had explained himself and his program; but, after their understanding of that explanation, the community issued a resounding rejection of it.

He had failed in that other important test—that of persuasion. He had completely failed it. There were some 5,000 submissions on his flawed consultation process and the majority of them were a complete and utter rejection of what Senator Brandis highlighted as his signature policy. Why? Because we know what Senator Brandis was trying to do in his freedom agenda: he was trying to allow the rights of bigots to have more precedence in this country than the rights of victims of racist hate speech. So he fell very fast and hard on that first hurdle—the hurdle of persuasion.

But then in the most recent foray of his political endeavours, he has not even been able to reach the second hurdle. Anybody who watched Senator Brandis attempt to explain metadata on Sky News might be tempted to conclude that he has never actually used the World Wide Web or been familiar with the difference between an IP address and a website name. We all know that Senator Brandis likes spending taxpayers' money on books and expensive bookshelves, so my advice to Senator Brandis is that maybe he should pick himself up a copy of the 'dummies guide to the internet', and then perhaps he will not need the communications minister to clean up his mess. Maybe he should recognise that his embarrassing performance in that regard and, indeed, his embarrassing performance in relation to racial hate speech were a rejection of his role as an Attorney-General. *(Time expired)*

**Senator COLBECK** (Tasmania—Parliamentary Secretary to the Minister for Agriculture) *(15:15)*: I rise to take note of the motion moved by Senator Singh. What the opposition have
demonstrated with the presentation that Senator Singh just made is that they are prepared to just make it up as they go along. Senator Singh characterises the policy around 18C as Senator Brandis's signature policy. It was a policy that the government took to the last election. I think quite rightly and quite genuinely Senator Brandis put out a consultation paper to the community to allow community consultation and comment, yet now Senator Singh wants to complain that the government actually took notice of that consultation process. Senator Singh put statistics on the table about the reaction to it. I think a good government will take note of community consultation. It will take note of current circumstances that exist when proposing pieces of legislation.

Senator Singh: I thought it was about counter-terrorism laws.

Senator COLBECK: Yes, it is also about counter-terrorism laws. The government quite rightly made the decision that it did not want the issue of 18C to be a distraction to what is a very serious issue for this country with respect to dealing with the issue of counter-terrorism. I think it was a wise decision.

What a good government does is take note of the consultation process it might have publicly and also take note of the views that are held within its party room. It does not, as the previous government did over six years, run a chaotic top-down process where decisions were not taken as part of cabinet. We heard Senator Brandis say during question time that the decision with respect of 18C was made in cabinet and announced subsequent to the cabinet meeting, as it should have been.

I also know that members of the government consulted broadly amongst the party room. There are members of this government who have expressed publicly their concerns about the government's proposals on 18C. They were in close contact with their communities about the proposals of 18C. They utilised the very wise process that Senator Brandis put in place around the exposure draft to consult with their communities. They brought that feedback back to the government through the party room, through their direct consultations with Senator Brandis and, I am sure, through their direct consultation with the Prime Minister, his office and other members of the executive. That is a good, considered government process. When the collective wisdom of the cabinet came together to discuss the issue, they took all of those matters into account. I think that is quite a wise process. Why would you not do that? You have a strong view in the community. You have a range of views within the party room. The process is put out for public consultation. An exposure draft of the legislation is put into the community to talk about. At the end of the day, after gathering all of that information together, you make a decision based on the consideration of all of the circumstances that were in play at the time.

Despite those who might want to downplay the threat of terrorism in this country, it is a significant threat. Anyone who has a good knowledge and understanding of these issues is expressing that view right now. To take away a distraction to that, alongside the process of good and sound community consultation, only make sense, and the characterisation that the opposition has portrayed around this decision today quite clearly does not stack up. They imply that it is a signature policy of Senator Brandis, but it was a policy that the government took to the last election and we have made a wise decision on that policy in cabinet. (Time expired)
Senator FAULKNER (New South Wales) (15:15): After such a long time struggling to become a cabinet minister, of course Senator Brandis must have been delighted to have been appointed as our Attorney-General. As all of us in this place know, Senator Brandis has an absolutely towering view of his own capacity and his own importance. He certainly convinced a lot of us of his potential, and he had only really been stymied by former Prime Minister Howard, who he had allegedly described as a lying rodent but defended himself by saying he only called him a rodent. When Senator Brandis was elevated to cabinet, many of us, myself included, thought he would make a pretty reasonable job of it. I said something very positive in The Sydney Morning Herald about him last July:

There is no doubt George is a capable and effective politician. He's one of the Liberals' best, but he does take himself very seriously at times.

I got the last bit right but I got the rest of it quite wrong—Senator Brandis has been a complete disappointment. He has made an absolutely, utterly, ham-fisted botch of being Attorney-General of Australia. For someone who is so full of himself, it must have been a truly terrible revelation for him to have come face to face with the fact that he is just not up to the job. He does not understand the detail of the legislation that he is responsible for. Take mandatory metadata retention. The Attorney-General does not even know what it is that his legislation would make ISPs retain. That is hardly a surprise, seeing as he does not seem to understand at all how the internet works. He said that what people were viewing on the internet would not be included but that the web address they communicated to would be. Of course it would have been better for the Attorney to consult with the communications minister, who knows something about the internet, but the communications minister had to learn about what the government was up to in The Daily Telegraph. This was excruciatingly humiliating for Senator Brandis, and that interview he did on Sky News was so bad, he was so out of his depth, that even members of the Labor Party told me they felt sorry for him. I did not share their view, but it was certainly extraordinary.

The U-turn on 18C reforms will always be an unforgettable legacy of this Attorney-General. An exposure draft on that was released without even checking with the cabinet—a disaster of a draft, made worse by Senator Brandis's public admission in this chamber that it was a licence for bigotry: 'People have the right to be bigots,' he said. Then, on 4 August, he was telling the public via Peter van Onselen that he still wanted to repeal section 18C of the Racial Discrimination Act, but on 5 August he was standing next to Tony Abbott, the Prime Minister, who dumped him and his proposal. But he claims today that that is orthodox cabinet process. I say very generously to Senator Brandis, 'George, you've really got to lift your game. You are embarrassing yourself, you are embarrassing your party.' It is a fact of life that Senator Brandis is nowhere near as good as he thinks he is, as Senator Williams knows. George Brandis should stop being a complete clown. That is what the public think about him. He should step up or step down. (Time expired)

Senator WILLIAMS (New South Wales) (15:20): Metadata and security is a very serious issue. As Senator Faulkner would be well aware, the government has put more than $600 million towards our security. Senator Lines is in the chamber and obviously, like a naughty student, she has been summoned to the principal's office for six of the best because of her comments yesterday. This is not a political game to be played—it is a very serious issue. There are some 100 Australians here in our nation assisting people overseas in areas like
northern Iraq and Syria, where we see these inhumane and despicable actions being carried out and put on the internet for people to view. It is a serious issue and it is not a time to play politics. As you know, Mr Deputy President, the Australian Labor Party aligns with the government when it comes to the security of Australians. It is an issue first and foremost for anyone who sits in either of the chambers here in Canberra. It is quite amazing what those in ISIL are doing. We do not want that to grow. We do not want to have Australians—especially young Australians—being indoctrinated into participating in these disgraceful activities around the world. We need to keep our country safe.

When we talk about metadata and the retention of knowledge that helps our agencies like ASIO and the Federal Police, it takes me back to several years ago when five people were charged. Three were found guilty and locked up. Their goal was to shoot up those training in Holsworthy Army base. Thankfully, through the great work of our agents, that did not occur, and those culprits were charged, found guilty and locked up. What a terrible tragedy that would have been if something like that did occur. That is why it is important that the metadata be secured.

Metadata is information produced by the communication systems. When you are using, for example, mobile phones, the data notes whom you call, time of your discussion and how regularly you call that person. These details are great information for our agents to monitor and keep our nation safe. That is what this is all about. Metadata should be retained for the proposed two years. As David Irvine, the Director-General of ASIO, has said, 'Unless metadata storage practices are changed, law enforcement and counterterrorism efforts will be severely hampered.' We do not want to see those law enforcement and counterterrorism efforts severely hampered in this place. I do not think any one of us wants to see that. Our security agents have also been very clear that they do not want industry to be required to keep records about Australians' web-browsing. As part of our work to keep Australians safe from terrorism, consultations are starting with telecommunications providers about continuing to retain metadata. Our law enforcement agencies must have all the tools at their disposal to track down criminals and keep the community safe. That is what is most important here. It is not a political joke. It is not a political football to be kicked about. It is about keeping Australians safe and returning the world to peace.

I am alarmed when people like Senator Lines think we are using this as a deterrent from looking at budget questions. If that were the case, why isn't this a motion to take note of answers to budget questions? Why aren't there more questions about the budget? That is ironic in itself. Here we are, answering questions on metadata and security. It is a very serious issue.

As far as 18C goes, the government will not proceed with the proposed changes to the Racial Discrimination Act 1975 at a time when the threat to Australia from extremists is real and growing. That is most important We need to be a united country, to work together, to forward information—whatever people hear or see—to our agents and our police because we need to keep Australians safe. We need to do our utmost, working with our colleagues and our allies around the world, to see that we do our best to keep our nation safe.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (15:25):

Wasn't August a big month for Senator Brandis? First up, we had Senator Brandis finally falling on his sword with respect to his proposed 'rights to be bigots' reform to the Racial
Discrimination Act. Then, minutes later, in the same press conference, we had the Prime Minister and Senator Brandis bumbling over the government's new mandatory data retention laws and its lack of a definition for metadata. The press conference was followed by one of the most excruciating interviews since Mike Willesee sliced John Hewson into hundreds of pieces of birthday cake over 20 years ago. That interview was on Dr Hewson's proposed 15 per cent GST. From the answers of the Leader of the Government in the Senate today, it appears the Liberal-National coalition is still as lost on the topic of the GST as it was under Dr Hewson. But I digress and return to the Brandis bungles.

Firstly, I want to take the opportunity to congratulate the thousands of Australians and hundreds of organisations who rose up to speak against these changes. The voices of the people have been heard loud and clear across the country and the world. This backdown, this broken election promise, is a win for tolerance in this country. It is a win for our multicultural Australian society. Thankfully, the proposed ill-conceived changes to section 18C of the Racial Discrimination Act now rest where they always truly belonged—on the scrap heap. The Attorney-General spent months here in the Senate stating that the government were about protecting the right of bigots. No-one has the right to be a bigot, Senator Brandis—not Andrew Bolt, not the racist who dropped anti-Semitic leaflets in the eastern suburbs of Sydney. It is still a concern that the Abbott government appears to have left this reform in the top drawer. It is not good enough. Even the proposal of these reforms and the bungled explanations from the Attorney-General signalled a green light to racism.

I also want to comment on the ongoing Brandis bungle on data retention. What is metadata? Despite the policy announcement and the huge fanfare, at present the government does not have a clear definition of metadata or 'megadata', as one confused journalist said in a recent interview—a slip of the tongue that is symptomatic of this government's absolute failure to explain anything that it is doing. For if the press cannot even get a simple phrase correct and if the government does not have a clear definition of that phrase, how does Senator Brandis expect the Australian people to understand what it all means? The really concerning thing in the data retention debate is that we are dealing with vitally important national security issues.

As a responsible party of government, the Labor Party has a natural inclination to support the government of the day in its ventures to keep Australia safe. However, if the government are incapable of structuring a coherent argument, how can you expect the Labor Party to work through these complex national security matters with them? It would not be responsible of the opposition, the Labor Party, to give the government a blank cheque on their reforms. These reforms are complex, but the Abbott government, through its Attorney-General, Senator Brandis, has been particularly confused in its explanations of these policies. It is important that the government understands the details of its policies. There are very serious matters at stake. It is also vital that the proposed reform to section 18C of the Racial Discrimination Act is not kept in the top drawer by the Liberal and National parties for another day.

We have the new senator from Queensland, Senator McGrath, who has said that he will cross the floor and vote for Senator Day's private senator's bill on these reforms. Senator McGrath is of course from Queensland, the home of outspoken Senator Macdonald and the Attorney-General, Senator Brandis. I hope Senator Brandis holds firm and does not introduce this reform, and I hope Senator Brandis holds firm and breaks his election commitment,
because I believe this reform offends the Australian spirit. I believe this reform offends Australia's notion of a fair go for all. It the election commitment to reform the Racial Discrimination Act is so dispensable, if the definition of metadata is too hard to explain, then no-one should believe Senator Abetz when he says that the government has no intention of changing GST distribution.

Question agreed to.

Higher Education

Senator RHIANNON (New South Wales) (15:30): I move:

That the Senate take note of the answer given by the Minister for Human Services (Senator Payne) to a question without notice asked by Senator Rhiannon today relating to proposed higher education funding changes.

Less than six hours after the Minister for Education, Minister Pyne, introduced the Higher Education and Research Reform Amendment Bill, you would have to say that his arguments as to why that is needed are really on the rocks. It is worth looking into some of the details of what he said, because in question time just now, in this chamber, Minister Payne failed to confirm that a single new student who otherwise would not have enrolled in a bachelor degree at a private higher-education provider will take up studies as a result of the government's proposed funding changes.

The minister is out there trying to whip up excitement for his bill. Maybe we would say that that is his job, but we would hope that he would be accurate in what he puts out there for public consideration. One of his key statements is that 80,000 extra students will be enrolled in Commonwealth supported places by 2018. That sounds impressive, and that is what the minister wants us to think. But let us look behind his bald statements. It is true that students in the private sector and those studying sub-bachelor degrees in the university system will now receive Commonwealth support. However, the government is unable to confirm that new students will enrol in these courses as a result of the changes, and that is key to what we are considering here. In fact, the bill's explanatory memorandum confirms that the rate of growth in student enrolments in this area will be slower than in previous years. So, you have that acknowledgement in the explanatory memorandum, and we have a minister who cannot confirm that there will be new students.

The end result of these changes will be a windfall of half a million dollars in subsidies for private higher education providers without any guarantee of increasing access. We are told many things about this legislation, but at the end of the day it is about saving the government money—and it is a lot of money: $5 billion ripped out of our public university system. And it is about giving public money—subsidies—to private providers. The government's proposed changes to higher education funding will see these public subsidies come into play. We have seen with TAFE, particularly in Victoria, how damaging this can be, not just to education but indeed to the very fabric of our society when you consider how education underpins so much.

But the misleading statements from the minister do not stop there. It is worth considering his claim about Commonwealth scholarships. Minister Pyne argues that the Commonwealth scholarship will provide more opportunity for students with low socioeconomic backgrounds and from regional areas. No public government money will go to Commonwealth scholarships. The minister has actually stolen the good name that Commonwealth
scholarships had. Many of us long ago did benefit from such scholarships, and they were scholarships with government money. But he has taken that name, misused that name, because there is no public money. Universities will be forced to increase their fees by at least 20 per cent before a single dollar from the university can be diverted to the creation of Commonwealth scholarships. And it will be the group of eight universities that will be able to maximise the increase in student fees under deregulation that will have the largest pool of funds for Commonwealth scholarships. This is another area where the legislation, if passed, would become unfair and so damaging to the way higher education plays out in this country.

These universities, the group of eight, have the lowest proportion of students from low socioeconomic backgrounds. Small and regional universities who teach the higher proportion of low-SES-background students will have the smallest amount of funding for Commonwealth scholarships. Mr Pyne has said that he did not expect fees to increase significantly under a deregulated system. But Mr Pyne cannot have it both ways. Either fees will increase significantly or Commonwealth scholarships do not exist.

There are many other areas where the minister is being misleading. He claims that when universities and colleges compete, students win. He is already undermining that assertion. And he says that there are no threats to cut research funding—grossly inaccurate there, because those cuts are already in place. The coalition has already cut—

(Time expired)

Question agreed to.

**COMMITTEES**

**Education and Employment References Committee**

**Intelligence and Security Committee**

**Public Works Committee**

**Government Response to Report**

_Senator BIRMINGHAM_ (South Australia—Parliamentary Secretary to the Minister for the Environment) (15:36): I present three government responses to committee reports as listed at item 15 on today’s _Order of Business_. In accordance with the usual practice, I seek leave to incorporate the documents in _Hansard_.

Leave granted.

_The documents read as follows—_

Australian Government response to the Senate Education and Employment References Committee Report Effectiveness of the National Assessment Program—Literacy and Numeracy
June 2014

**List of acronyms**

ACARA - Australian Curriculum, Assessment and Reporting Authority
APIP - Accessible Portable Item Protocol
COAG - Council of Australian Governments
NAP - National Assessment Program
NAPLAN - National Assessment Program—Literacy and Numeracy
PISA - Programme for International Student Assessment
SCSEEC - Standing Council on School Education and Early Childhood
WCAG - Web Content Accessibility Guidelines
The Australian Government Department of Education welcomes the Report on the Inquiry into the Effectiveness of the National Assessment Program—Literacy and Numeracy. A response to each recommendation in the report is provided below. The Department has sought the views and input of ACARA in preparing these responses.

**Recommendation 1:** The committee recommends the quick turnaround of test results should receive the highest priority in the design of NAPLAN Online with achievable and measurable targets built in to the system.

**Australian Government Response**
The Australian Government agrees in principle with this recommendation.

The Australian Government is committed to delivering NAPLAN test results faster, as this will enable schools and parents to quickly access the diagnostic elements of the test, and develop appropriate intervention strategies to support and extend students’ literacy and numeracy capabilities.

**Current situation**
All education ministers have agreed in principle that the return of individual student results for diagnostic purposes is beneficial to improve student learning and the faster the results return to teachers the better.

The Australian Government is working cooperatively with the Australian Curriculum, Assessment and Reporting Authority (ACARA), and the states and territories to achieve faster turnaround of NAPLAN test results to students, teachers and parents.

The Australian Government believes it is important that the use of NAPLAN item level data should be used to inform teacher classroom practice and that states and territories actively develop assessment literacy skills amongst their teachers.

Since September 2013, negotiations about the release of individual student results and the individual student reports to parents have been held with all stakeholders. The Australian Government encourages all states and territories to reduce the time it takes to return individual student reports to parents.

ACARA is scheduled to release National Summary Information (preliminary results), previously known as the NAPLAN Summary Report, in a web-based format on 18 August 2014. This information will provide preliminary national, state and territory level results four weeks ahead of the time that the Summary Report was released in 2013. In addition, the majority of states and territories will deliver results back to schools and parents sooner. It is expected that in 2015 turnaround times will continue to be reduced.

**NAPLAN online**
A key element of the rationale for delivering NAPLAN testing online is that there will be a significant reduction in the time taken to provide feedback to schools, students and parents. Faster turnaround of results is a key goal in the planning and design of NAPLAN online.

It is intended that the design and process mapping for the online delivery of NAPLAN maximises the use of technology to automate existing processes that will reduce the time taken. Over time this will provide more information on student performance leading to richer reporting on student performance.

**Recommendation 2:** The committee recommends that when designing adaptive testing for NAPLAN Online the needs of students with disability are taken into account.

**Australian Government Response**
The Australian Government agrees with this recommendation.
The Australian Government is committed to ensuring that the needs of all students, including those with disability, continue to be taken into account in the design of NAPLAN testing online. Student assessments should be designed to cover a broad range of abilities that enables the strengths and weaknesses of students to be measured. For NAPLAN testing, disability is defined as per the Commonwealth Disability Discrimination Act 1992.

At the individual student level, NAPLAN provides a measure of literacy and numeracy skills relative to his or her peers. This measure can then be used to monitor student progress, enable longitudinal tracking of student achievement, and inform strategies for improving literacy and numeracy achievements. To achieve this, tests must yield comparable data, so that students’ results can be compared and placed on a scale relative to each other. For a test to yield comparable data, tests must be standardised, and students must as far as possible undergo the same test experience.

In the case of students with disability, this may entail adjustments to the standard way a test is delivered and undertaken. Adjustments are intended to enable access to the tests on an equivalent basis to students without disability, so that the adjusted test measures the student’s literacy or numeracy performance, rather than measuring the impact of the student’s disability or disabilities on their test experience (which an unadjusted test would show).

The current NAPLAN testing regime achieves the above through the National Protocols for Test Administration 2014 (the Protocols) and in particular the Adjustments for Students with a Disability section, consistent with the Disability Standards for Education 2005, which set out the rights of students with disability and the obligations of school authorities in relation to education under the Disability Discrimination Act 1992.

The Protocols (available at www.nap.edu.au) allow for:

- a range of permitted adjustment types (each supported by evidence bases that isolate the effect of the adjustment and demonstrate the effectiveness of the adjustment)
- to be applied singly or in combination
- on a case by case basis dependent on individual student needs
- as determined by the school together with the relevant Test Administration Authority, the parent/carer and the student
- exemption of students with significant intellectual and/or functional disabilities, who are unable to access the tests within the guidelines for adjustments

Examples of the application of these adjustments can be found in a set of ‘scenarios’ published on the National Assessment Program (NAP) website www.nap.edu.au.

NAPLAN online

The needs of students with disability will be taken into account in the design of adaptive testing and the test development and delivery systems. To this end, ACARA is working closely with stakeholders, expert advisers and service delivery partners, as well as its working, advisory, and reference groups that support the test development process.

Adjustments for students with disability in the online environment will be guided by the Protocols adapted for the online context. As far as possible, online assessment for each student with accessibility requirements will replicate the arrangements currently in place for that student in daily classroom assessment activities.

Research commissioned in 2013 (which included a review of online accessibility options in use for online assessment in other jurisdictions) is informing work in this area. Further research on the adaptation of the accessibility aspects of the Protocols to the online environment is planned.
Technical specifications
In addition to the measures outlined above, there are specific business requirements which will need to be met in the design of the NAPLAN online test authoring and test delivery systems:

- ACARA has specified compliance with all legislative requirements as well as Web Content Accessibility Guidelines, WCAG2.0 Level AA, in the business requirements for the NAPLAN online component of the test delivery system under development.
- In addition, the systems will meet the Accessible Portable Item Protocol (APIP) Standard—a data model for standardising the interchange file format for digital test items, which provides a test delivery interface with all the information and resources required to make a test and an item accessible for students with a variety of disabilities and special needs.
- Test items will be developed in accordance with item specifications, which will include accessibility and usability requirements (including provision of adjusted or alternate content where an online interaction is by its nature inaccessible to a particular user group, for example because it is graphically-based, as determined by APIP).

Recommendation 3: The committee recommends that when designing adaptive testing for NAPLAN Online the needs of students from a non-English speaking background are taken into account.

Australian Government Response
The Australian Government agrees with this recommendation.

The Australian Government is committed to ensuring that the needs of all students are taken into account for in the design of NAPLAN testing online, including those with non-English speaking background.

NAPLAN is designed as a standardised assessment - all students across Australia sit the same tests for their year level. The tests are designed in such a way that the questions, administration conditions, scoring procedures and analysis are consistent for all students. This allows for a comparable understanding of performance across the country.

The tests identify whether all students have the literacy and numeracy skills that provide the critical foundation for their learning. While it is recognised that all students do not have the same cultural and language background, competency in Australian English is essential for all students to allow them to participate fully in Australian society. This is particularly important for students from Aboriginal and Torres Strait Island heritages who may not speak English as their first, second or third language, as well as migrant and refugee students.

As NAPLAN literacy assessments are tests of student ability in standard Australian English, specific adjustments are not made for students with a non-English speaking background. The literacy demands of the numeracy tests should not, however, exclude a student with a non-English speaking background from accessing the numeracy tests.

Test development
NAPLAN tests are developed collaboratively by the states and territories, and the Australian Government and the non-government sectors. The development of NAPLAN test items is extensively quality assured through highly specific and rigorously applied processes, continuous quality control and auditing. ACARA has in place a rigorous test development process and uses expert panels to develop and review test items.

As part of the test development process, all proposed test items undergo quality assurance that takes cultural background into account. In preparing the assessments, test developers must ensure NAPLAN tests are not culturally biased against any student group, including students from a non-English speaking background. The development process involves ACARA working with specialist item writers under contract, and supported by expert review and recommendations from officials from all states and
territories, including assessment and curriculum specialists. This process ensures that no questions in the NAPLAN tests require direct personal knowledge of a topic outside the curriculum for respective year levels.

NAPLAN tests are standardised and serve a national comparability purpose. The test development process is designed to ensure that test content is aligned to the curriculum expectations of each state and territory, with testing to be based on the Australian Curriculum from 2016. The development process includes having each state and territory review all proposed test items for cultural and language appropriateness.

The consideration of students from non-English speaking and diverse cultural backgrounds will continue in the development of NAPLAN test items in an online environment.

**Recommendation 4:** The committee recommends that ACARA closely monitor the use of NAPLAN results to ensure results are published to assist the Government to deliver extra, targeted funding to schools and students who need more support, rather than the development of league tables.

**Australian Government Response**

The Australian Government notes this recommendation.


- collecting national data (including on individual schools) for the purpose of accountability and reporting, research and analysis, and resource allocation as directed by SCSEEC
- analysing data, as required by education ministers and their departments, to support system management and policy.

ACARA undertakes a role in monitoring how NAPLAN results are used in the public domain. The Australian Government supports the fair and responsible publication of NAPLAN results, and does not support the development of league tables. A key purpose of NAPLAN is to provide information for all Australian governments to target funding where it is most needed in Australian schools. The *My School* website ([www.myschool.edu.au](http://www.myschool.edu.au)) allows users to compare schools with statistically similar groups of students, providing contextual information to support fairer and more meaningful comparisons. If the performance information is separated from the contextual information, meaning and fairness are diminished.

Under the Australian Government's *Students First* policy, school autonomy and the Independent Public Schools initiative will enable principals to have more support and freedom to make decisions for the benefit of their school. It is intended that this policy will provide capacity for principals to apply funding to support those students who need help to improve their literacy and numeracy skills. This reform reflects international evidence that in seeking to improve schools, the autonomy of the principal to make informed decisions supports student outcomes.

The Australian Greens **Recommendation 1:** The Australian Greens recommend that, if publication of individual school results on the *My School* site continues, the Government remove the functionality that enables ranking and comparisons of individual school results.

**Australian Government Response**

The Australian Government does not agree with this recommendation.

The Australian Government supports the fair and responsible publication of NAPLAN results. A key purpose of NAPLAN is to provide information for all Australian governments to target funding where it is most needed in Australian schools.
My School is a unique online tool that promotes transparency in education by providing parents, schools, governments and the wider community with high quality, nationally comparable data on the performance and progress of Australian schools.

The My School website was purposely designed to minimise the construction of crude league tables which create unfair and indefensible comparisons of Australian schools.

While the My School website allows users to compare statistically similar schools, it provides contextual information to support fairer and more meaningful comparisons of schools than publication of performance information without providing information about key factors that impact the performance of schools. The My School website does not include rankings of schools.

The Australian Greens Recommendation 2: The Australian Greens recommend that in the event that functionality for the ranking and comparisons of individual school results is removed from the My School website but improper and detrimental use of NAPLAN data continues (such as the creation of league tables) the Government remove the school-level data, in accordance with their prior policy position.

Australian Government Response

The Australian Government does not agree with this recommendation.

As outlined in the response to the Australian Greens Recommendation 1, the Australian Government does not support the development of simplistic league tables. The My School website was purposely designed to minimise the construction of crude league tables which create unfair and indefensible comparisons of Australian schools.

The Australian Greens Recommendation 3: The Australian Greens recommend that the Government clarify the purpose of NAPLAN testing, particularly with regard to its use as a diagnostic assessment, and adapt the structure and any publication of the data to align with the stated purpose.

Australian Government Response

The Australian Government does not agree with this recommendation.

The purpose of NAPLAN is clearly articulated. As the largest and most significant program within the NAP, NAPLAN provides data on student learning in literacy and numeracy and these data are used to inform the development of strategies to improve literacy and numeracy skills of students in all schools across Australia.

NAPLAN results provide a baseline for monitoring student and school progress, enables longitudinal tracking of student achievement, and can be used to inform strategies for improving the literacy and numeracy achievements of students.

NAPLAN testing allows Australian governments to identify whether all students have the literacy and numeracy skills and knowledge which provide the critical foundation for other learning and for their productive and rewarding participation in school and the community. NAPLAN results provide reliable, comparable information on how students, schools and school systems are performing against national standards, including national minimum standards in each of the assessed areas.

The following NAPLAN results are published to support this purpose.

- National, state and territory NAPLAN results are published in a preliminary and National Report each year.
- Schools receive comprehensive data packages on NAPLAN results, and states and territories have developed programs for data analysis to support teachers in using and interpreting NAPLAN data to improve student outcomes.
Parents/carers receive an individual student report on NAPLAN results which enable them to see how their child is progressing against national standards, including the national average and middle 60 per cent of students for the year level.

Information on NAPLAN results at the school level is published on the My School website, which is updated each year.

The Australian Greens Recommendation 4: The Australian Greens recommend that the Government provide further support and training for teachers and schools to analyse the NAPLAN data and devise individual educational programs to assist students to ensure the resources used to run the tests and create the data are not wasted.

Australian Government Response
The Australian Government notes this recommendation. Teacher professional development is the responsibility of state and territory governments.

The Australian Government's submission to this Inquiry outlined the support and training available for teachers in jurisdictions to analyse and use NAPLAN data to support those students. All states and territories have developed programs for data analysis to support teachers in using and interpreting NAPLAN data to improve student outcomes. For example, see page 16 of the Department's submission to the Inquiry (Submission 69 Department of Education, Employment and Workplace Relations).

NAPLAN results are an important resource for teachers to be able to target their teaching practice to the needs of their students. The Australian Professional Standards for Teachers require teachers to be able to assess, provide feedback and report on student learning. For the Graduate standard, this includes an expectation that teachers can ‘demonstrate the capacity to interpret student assessment data to evaluate student learning and modify teaching practice.’ (Standard 5)

The national approach to the Accreditation of Initial Teacher Education Programs in Australia: Standards and Procedures require universities to demonstrate how they will be preparing their students to meet the Graduate teacher standard. The data produced by NAPLAN tests are rich and detailed and can be of great value in informing teaching practice and student learning. Analysis of the data down to the level of each test question (item), for each student, can help teachers identify the gaps in learning of particular students. It can also highlight areas where classroom strategies are succeeding or may need adjustment.

As part of their ongoing teacher professional development, increasing the assessment literacy capabilities of teachers is fast becoming an essential 21st century skill for teachers. This means that teachers need training and support in ways to interpret and analyse data to inform and change their practice, if needed in extending the achievement of all students. As well as improving the outcomes of lower achieving students, it can be applied to supporting and extending higher achieving students.

The Australian Greens Recommendation 5: The Australian Greens recommend that the Government consult with schools to determine the best time of year to hold the annual tests in light of discussions around the purpose of the testing.

Australian Government Response
The Australian Government does not agree with this recommendation.

The timing of NAPLAN tests was agreed by education ministers in July 2006. Moving the tests to May allowed diagnostic information to be provided to teachers and parents earlier in the year than had previously been the case with state and territory literacy and numeracy tests. This assists with planning needed interventions sooner and using assessment to improve teaching and learning.

The Australian Greens Recommendation 6: The Australian Greens recommend that NAPLAN Online uses the advantages of the medium to test a broader scope of knowledge within literacy and numeracy,
more accurately reflect classroom learning styles and incorporate questions which encourage lateral and creative thinking from students.

**Australian Government Response**

The Australian Government notes this recommendation.

Work is underway to determine the scope and scale of the test delivery system features when NAPLAN goes online and this is being undertaken in consultation with state and territory governments and the non-government school sector. Further research on the development and use of technically enhanced items, including multimedia stimulus material, is being conducted by ACARA with the intention of including these item types as part of the NAPLAN full-cohort testing program over time.

Evidence shows that tailored test design, which comprises multi-stage branching tests, provides better alignment of tests to the ability of each student. Tailored test design ‘branches’ students through test pathways depending on their ability level, ensuring that high performing students are adequately challenged and that low achieving students are given the opportunity to demonstrate their knowledge. For the latter group of students, the test design significantly enhances the testing context and student engagement. The increased number of items in this test design also provides an opportunity to broaden and enhance the coverage of the Australian Curriculum in NAPLAN testing.

**Other assessments**

All Australian governments support additional assessments that focus on lateral and creative thinking through instruments such as the Programme of International Student Assessment (PISA), which in 2015 will incorporate collaborative problem solving in its test design.

The NAP sample assessments are currently under review and the longer-term future directions of the program post-2015 are being developed by ACARA for consideration by education ministers.

The Australian Greens **Recommendation 7**: The Australian Greens recommend that ACARA actively consults with teachers and academics experienced in teaching students from language backgrounds other than English to scrutinise the tests for cultural assumptions and inappropriate content and styles of questioning.

**Australian Government Response**

The Australian Government notes this recommendation. As this recommendation overlaps Committee **Recommendation 3**, please refer to that response.

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**Government Response**

February 2014 Parliamentary Joint Committee on Intelligence and Security

*Review of the listing of Jabhat al-Nusra and the re-listing of six terrorist organisations*

*Review of the re-listing of Al-Qaeda in the Arabian Peninsula*

**Recommendation 1:**

The Committee recommends that the regulation, made under the Criminal Code section 102.1, to list Jabhat al-Nusra as a terrorist organisation not be disallowed.

Response:

The Government agrees with the recommendation.

**Recommendation 2:**

The Committee recommends that the regulation, made under the Criminal Code section 102.1, to list the Islamic State of Iraq and the Levant as a terrorist organisation not be disallowed.

Response:

The Government agrees with the recommendation.
Recommendation 3:
The Committee recommends that the regulation, made under the Criminal Code section 102.1, to list al-Qa'ida as a terrorist organisation not be disallowed.
Response:
The Government agrees with the recommendation.

Recommendation 4:
The Committee recommends that the regulation, made under the Criminal Code section 102.1, to list Abu Sayyaf Group as a terrorist organisation not be disallowed.
Response:
The Government agrees with the recommendation.

Recommendation 5:
The Committee recommends that the regulation, made under the Criminal Code section 102.1, to list al-Qa'ida in the Lands of the Islamic Maghreb as a terrorist organisation not be disallowed.
Response:
The Government agrees with the recommendation.

Recommendation 6:
The Committee recommends that the regulation, made under the Criminal Code section 102.1, to list Jamiat ul-Ansar as a terrorist organisation not be disallowed.
Response:
The Government agrees with the recommendation.

Recommendation 7:
The Committee recommends that the regulation, made under the Criminal Code section 102.1, to list Jemaah Islamiyah as a terrorist organisation not be disallowed.
Response:
The Government agrees with the recommendation.

Recommendation 8:
The Committee recommends that the regulation, made under the Criminal Code section 102.1, to list Al-Qa'ida in the Arabian Peninsula as a terrorist organisation not be disallowed.
Response:
The Government agrees with the recommendation.

Australian Government response to the Parliamentary Standing Committee on Public Works report:
Public works on Christmas Island October 2011

Recommendation 1
The Committee recommends that the Australian Government undertake an assessment of water flows to determine what happens to treated wastewater that leaves the Christmas Island Wastewater Treatment Plant, and the potential risks to the freshwater supply.
Response:
Supported. Water Corporation, Western Australia, which operates and manages the water and wastewater infrastructure on Christmas Island, had completed a geotechnical survey and prepared a Catchment Management Strategy for Christmas Island. Based on the findings of the geotechnical survey, Water Corporation considers that the discharge from the Wastewater Treatment Plant is not posing any risks to the freshwater water supply on the island.
Recommendation 2

The Committee recommends that the Australian Government undertake an assessment of the Christmas Island water supply to determine whether any water supply areas are affected by contaminants from the Island’s landfill site.

Supported. The landfill is considered a risk to the water source as it is situated in the greater catchment area. Water Corporation has put in place catchment management strategies to manage the risk, including frequent sampling, monitoring, inspections, operational strategies and ongoing communications with the Shire of Christmas Island as they are responsible for waste management on the island. Water Corporation monitors the groundwater surrounding the landfill and undertakes analysis for hydrocarbons, pesticides, metals and bacterial contaminants. At this stage the landfill has not had any measurable impact on the quality of the drinking water on Christmas Island.

The Department of Infrastructure and Regional Development has provided funding of $1.2 million to the Shire of Christmas Island for development of a waste management strategy and implementation of capital works to the Christmas Island Waste Management Facility. The first stage of the project, which involved an assessment of existing waste disposal and management strategies on the Island, and an analysis of the options available for total solid waste management, was completed in 2013.

Recommendation 3

The Committee recommends that the Australian Government examine alternatives for disposal of solid waste from the Christmas Island Wastewater Treatment Plant.

Supported. Water Corporation presented its report Christmas and Cocos Islands Biosolids Strategy 2031 as part of its 2012-13 annual report. The preferred sludge management option for Christmas Island is composting.

Recommendation 4

The Committee recommends that the Australian Government Department of Immigration and Border Protection review existing medical facilities and services at the Christmas Island Immigration Detention Centre (North-west Point), with a view to ensuring that all detainees have full access to all medical services in an appropriate and suitable medical centre environment.

Noted. The Australian Government considers that all detainees at the Christmas Island Immigration Detention Centre (IDC) have access to appropriate medical services which are delivered in suitable medical facilities.

The Government notes that in June 2013 the Health Services Provider at Christmas Island IDC received accreditation against the Royal Australian College of General Practitioner Standards for Health Services in Australian Immigration Detention Centres. Among other matters, the accreditation process included consideration of the clinic facilities.

In addition, during 2013-14 the Government allocated further resources to improve the medical facilities and to increase the range of health services available at Christmas Island IDC. This includes enhancements to pathology and imaging services, use of telemedicine facilities and expanded use of visiting specialists. These measures will further reduce the amount of time Irregular Maritime Arrivals spend in Australia before their rapid onward transfer to an Offshore Processing Centre in Nauru or Papua New Guinea.

Recommendation 5

The Committee recommends that the Australian Government design and construct a fit-for-purpose medical centre for the Construction Camp Alternative Place of Detention on Christmas Island, which will include (but not be limited to):

- a sufficient number of discrete and appropriately sized consultation and examination rooms or suites;
• appropriate client waiting areas;
• a secure drug store and dispensary;
• separate waiting and consultation areas for mental health care and counselling services;
• adequate storage for all medical supplies; and
• suitable kitchen and ablution facilities for staff.

The medical facility should be attached to existing administrative areas and/or compound entrance or exit to facilitate access and egress for staff, while still allowing access for detention centre clients. Detention centre management, medical staff and the Department of Immigration and Border Protection’s Detention Health Advisory Group must be consulted regarding the design of any proposed medical facility.

Noted. The Construction Camp Alternative Place of Detention (APOD) clinic was renovated in early 2013. These works included the incorporation of adjacent buildings into the clinic complex, in order to provide an appropriate amount of consultation, storage, kitchen and ablution space for detainees and staff. These works also included additional access and egress points for staff.

In addition, during 2013-14 the Government allocated further resources to improve the medical facilities and to increase the range of health services available at Christmas Island IDC. This includes enhancements to pathology and imaging services, use of telemedicine facilities and expanded use of visiting specialists. These measures will further reduce the amount of time Irregular Maritime Arrivals spend in Australia before their rapid onward transfer to an Offshore Processing Centre in Nauru or Papua New Guinea.

Recommendation 6

The Committee recommends that the Australian Government, as an urgent priority and outside of the normal Budget process, construct new headquarters for the Australian Federal Police on Christmas Island.

Not supported. The Government has not been able to fund a new station for the Australian Federal Police on Christmas Island.

Funding from the Department of Infrastructure and Regional Development operating budget for the Territories enables repairs and maintenance work to be undertaken to keep the station operational.

On 17 January 2012, AFP Occupational Health and Safety staff travelled to Christmas Island to conduct a review of the station. The review found no immediate threat to officer safety. The Department of Infrastructure and Regional Development will continue to monitor the situation and undertake repairs as appropriate.

Comcare inspected the building in February 2014 and concluded that the remedial works previously undertaken require further attention. An engineering assessment will be conducted over the coming months to establish the scope of works.

DOCUMENTS

Budget

Order for the Production of Documents

Documents were tabled pursuant to the order of the Senate of 27 August 2014 for the production of documents relating to distributional and cameo analysis contained in the 2014-15 budget.
Renewable Energy Target
Order for the Production of Documents

Documents were tabled pursuant to the order of the Senate of 27 August 2014 for the production of documents relating to the review of the Renewable Energy Target.

DOCUMENTS
Tabling

The Clerk: Documents are tabled pursuant to statute. Details will be recorded in the Journals of the Senate and on the Dynamic Red. Documents are tabled in response to the continuing orders of the Senate relating to departmental and agency files, appointments, vacancies and contracts.

Details of the documents also appear at the end of today’s Hansard.

(Quorum formed)

MOTIONS
Liquid Fuel Refining

Senator MADIGAN (Victoria) (15:40): I move:

That the Senate recognises that it is in Australia’s national interest to maintain liquid fuel refining capability.

Three small words: liquid fuel security. They might be unfamiliar to many, but liquid fuel security underpins the Australian way of life. It is essential to drive our children to school. It is essential so we can shop for fruit and vegetables and it is necessary to guarantee travel to anywhere for any reason.

Liquid fuel security underpins our industry. Liquid fuel security underpins our farming sector. Liquid fuel security underpins our manufacturers and our food processors. What is more, liquid fuel security is the linchpin of what makes Australia secure. Our army, our air force, our navy and our various other defence and national security organisations must have security of liquid fuel. Retired Air Vice-Marshall John Blackburn AO said recently: ‘Without fuel we don’t survive.’

This discussion today is not about division. It is not about political point-scoring. It is about bringing this issue to the forefront of public debate. It is about unifying all in this place to, firstly, recognise the importance of liquid fuel security, and then to come up with a plan.

We must have a plan. We have reached a crossroad. By the end of next year, 90 per cent of our transport fuel, whether refined or crude, will be imported. In the year 2000—just 14 years ago—that figure was closer to 60 per cent. By no later than 2030 that figure is anticipated to be 100 per cent. But these are projections, and things can change with a plan.

This morning I was looking at the end-of-month stock holdings of various fuels as reported by the government. As of June this year we had 30 days worth of LPG in storage, 19 days of petrol, 17 days of aviation fuel and 12 days of diesel. This highlights two problems: the first is our dependence on imported fuel; and the second is our poor preparedness and capability to respond to any crisis.

These two crucial issues call for a national liquid fuel security plan. It might seem as if I am overemphasising the importance this issue has for Australia, but this is not the case. The
International Energy Agency says on this topic that it requires member nations to have 90 days of net import oil holdings. This includes oils with which you could not run a car, truck or plane on. It includes things like bitumen, lubricating oils, heating oils et cetera. Even including these oils—oils which do not all assure transport energy security—latest figures suggest Australia only has 52 days of reserves. That is below the 71 days recorded in previous reports. A high percentage of these fuels are imported from overseas. A high percentage are also still at sea, not even on our shore. I and many Australians believe a risk assessment must be conducted. To do this, we would need to assess the whole supply chain all the way back to the Middle East.

While Singapore is an oil-refining hub, we cannot presume it is rock solid. As senators would be aware, events in the ASEAN sphere are quite dynamic. Small regional issues can suddenly have huge implications for our nation. When I talk about the risks associated with importing fuel from Singapore, I am not talking about 1960s-style gunboat diplomacy with its associated blockades. If the disruption was a targeted one, as opposed to a consequence of regional instability, many nations could simply put pressure on the owners of the shipping companies or even the nations who have provided the vessel with a flag. Nations receiving foreign aid, for instance, could be used as leverage.

On the matter of supply lines, Dr Vlado Vivoda of Griffith University warned:

Our supplies are essentially subject to the security of supply lines that bring petroleum products from international markets, particularly from Singapore, which we are becoming increasingly reliant on.

The second issue which any plan would have to focus on is our preparedness and capability to respond to any crisis which disrupts our supply chain. By no means do I purport to have the answers, but I have plenty of questions.

In the year 2000, Australia had seven refineries. Coming into 2016, Australia will have only four. By modern standards, these refineries are admittedly quite small but nonetheless are doing a great job. Caltex, Mobil, BP and Vitol—the new owner of the Shell refinery in Geelong—are the four owners. These refineries alone have served us well. However, in the event of a crisis, would their capabilities be sufficient? Will the storage of liquid fuel be sufficient? Based on the current figures—and depending on the nature of the crisis—absolutely not. Considering Australia has 52 days of net import oil holdings, one might consider that this is the norm by world standards. But the International Energy Agency information for May 2013 indicates that Korea has 240 days, the UK has 220 days, the US has 209 days and even New Zealand has 103 days, almost double what we currently have.

This is a crucial issue. Next week I will call for an inquiry. This is an issue I want the government, the opposition, the crossbench and all stakeholders—all Australians—to recognise and address. I will use Air Vice Marshall John Blackburn AO's words to sum up my contribution to this debate on liquid fuel security. He said: 'We alone amongst all developed oil-importing countries rely completely on commercial market forces for our transport energy security. This is no less perilous than contracting out our Defence Forces or outsourcing our food supply.'

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (15:49):
I thank Senator Madigan for introducing this motion and for his contribution. He referenced the work of John Blackburn, who has been a very well-informed and powerful voice in this area. Senator Madigan may not be aware that he, in fact, was here in Parliament House just
two days ago, briefing the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade on these very issues. We talked through a whole range of aspects of Australia's fuel security, so I understand Senator Madigan's concern.

The fact is that in Australia at the moment we still have four refineries operating, as Senator Madigan said. The challenge for Australia is to look not just at the supply side, as important as that is. It is also to look at how we reduce the demand side. The important areas to understand are where we are using energy, where the alternative sources are and, importantly, how quickly we are using energy and how we can reduce supply demand. Even things such as inquiries into climate have identified that car emissions and car use of fuel as we make cars more efficient can cumulatively cause a substantial reduction in the demand for liquid fuels. So part of the whole the equation is not just looking at the supply side but understanding how we can work with car manufacturers on the standards we put on imported cars to make sure that the fuel consumption of cars not only benefits the environment but reduces the demand for liquid fuels such that we balance up that issue between supply and demand.

Australia currently exports both crude oil and refined products, and it imports both crude oil and refined products from a wide range of sources. One of the advantages Australia has is that it is an energy-producing nation. One of the things that Australia has been good at for many years is fuel source innovation. In looking at supply, we need to consider the roles of unconventional oils, natural gases, natural gas liquids and even biofuels as well as the role of traditional petrochemicals.

In relation to the market, we have seen throughout the world's history that, even in times of calamity or conflict, there can be responses by governments to work through what would otherwise be considered failures of the market. Where commercial shipping has failed ships, we have seen ships taken up from trade—governments have, essentially, taken over or nationalised supply lines. There are areas where you can overcome issues with insurers through governments paying premiums and looking at ways to make sure that we do have continuity of supply. As Senator Madigan has indicated, Singapore is a hub; but we also have liquid fuels coming from places like Japan, as well as from the Middle East via Singapore. There are alternatives that the government can look at, but Senator Madigan's point about the need for a suitable risk analysis is well made and was brought out just this week in the briefings that I was discussing.

One of the issues for refinery capacity within Australia is that the scale in Australia makes it very difficult for commercial viability for companies to invest in new refining capability here or to sustain capability in the face of product that they can bring in and make available to the consumer at a lower price. One of the problems with the simple reaction, which is that we should just mandate more production capacity here, is that it starts to distort the market. We already know the price pressure that consumers quite rightly highlight in relation to petrol prices and other liquid fuels. If we were to mandate or in some way regulate a capacity on the commercial market it would drive up prices for Australian consumers. So it is a balancing act to try to understand what the supply chain is, the parts where there are weaknesses and how we can work constructively with industry to make sure that we have both reliability and security of supply whilst making fuels available for Australian consumers, whether they be farmers or people in the cities who need that fuel for their daily life. That needs to be done in
a way that does not drive up prices but achieves the outcome that the government is looking for. We understand the factors that have led Senator Madigan to put forward this motion. Studies have been done and there is currently a process underway in which Mr Blackburn and others have been advocating for further risk studies. I cease my remarks there.

**Senator CONROY** (Victoria—Deputy Leader of the Opposition in the Senate) (15:55): Labor supports this motion. As last year's inquiry by the House of Representatives Standing Committee on Economics into the refining industry found, having:

… domestic refining capacity is a worthwhile complement to imports as part of having reliable, mature and diverse supply chains for liquid fuels.

The energy sector is a major employer, providing work directly and indirectly for over 100,000 Australians. We know that the growth in employment in the domestic oil-refining sector is declining. That is concerning. The people employed in the sector are highly skilled, productive and loyal. When closures occur we should always do what we can to assist workers to find other work. This should always be a priority for both industry and government. This industry should not be abandoned. The domestic refining industry continues to play an important role in complementing our imports.

**Senator XENOPHON** (South Australia) (15:56): I commend Senator Madigan for putting forward this motion. It is a very important issue and one that shows that, yet again, we as a nation are not addressing an important issue with the gravity it deserves. I welcome the opportunity to speak on this issue. It is an issue that I have been interested in for many years. When I was a member of the South Australian parliament I was very critical of the way that the Port Stanvac oil refinery was shut down by Mobil about 10 years ago. The state government did a very bad deal in handling the shutdown of that refinery. It was mothballed with no capacity for alternative competition to move into the refinery. We have had the situation in my home state of South Australia where fuel supplies are precarious. If something goes wrong with a ship, if it has been delayed at sea or breaks down, we could face a fuel crisis in South Australia with huge economic and social consequences.

Let us put this in perspective. Refining in Australia has been in in free-fall for several years—it is down 30 per cent in two years and will continue to drop—as local refiners find themselves stranded with obsolete facilities and unable to compete with huge refineries overseas. Shell closed its Sydney refinery at Clyde in 2012. Caltex's closure later this year of its Kurnell refinery in Sydney means that Sydney will, for the first time since the 1920s—that is 90 years—be reliant entirely on imported fuel. BP has announced it will close its Bulwer refinery in Brisbane in mid-2015. South Australia lost its sole refinery in 2003—that is 11 years ago. These closures mean the loss of thousands of jobs—a huge challenge for each of those families. Senator Madigan and I have been campaigning relentlessly about manufacturing jobs in this country. These are manufacturing jobs we are losing.

Today we are talking about fuel security in addition to job security. Australia will be left with four remaining refineries: BP's Kwinana unit in WA; Shell's Geelong refinery, which was this year sold to Vitol of Switzerland; Caltex's Lytton refinery in Brisbane, which recently announced more than 100 job losses as it seeks to cut costs and stay open; and ExxonMobil's Altona refinery in Melbourne. An NRMA report in February found that Australia will source 90 per cent of its liquid fuel needs from overseas by 2015 and predicted that by 2030 that will become a complete dependence on offshore sources of fuel. The
contraction in Australia's liquid fuel supplies is not a surprise. It has been long expected and the dynamics driving it are well understood. Yet no Australian government has adequately assessed or planned for the obvious risks to our economy and society of a disruption to overseas fuel supplies.

I endorse strongly endorse the comments of Senator Madigan in relation to the national security implications of this. If there is a conflict—if sea lanes are disrupted in an increasingly uncertain world—where does leave us as a nation? It will bring us to a standstill. We are drifting towards a very insecure future, bobbing on a sea of risks and uncertainties in the global fuel market.

And yet it seems to be business as usual. Our national dependence on liquid fuels outsourced to pitiless fuel multinationals. Surely, it is time for the federal government to assert the national interest and plan for a minimum fuel-refining capacity in this country and for minimum fuel supplies. The United States and other countries do it; we have been absolute mugs when it comes to this. I am not sure if Senator Madigan can assist me, but I think the level of fuel supplies we have at the moment is for weeks and not the months that we actually need. The NRMA report, *Australia's liquid fuel security*, released in February this year, found we would be left high and dry if there were a significant disruption to overseas shipping lanes, refining capacity or oil production. It warned that Australia would have about three weeks of fuel on hand, if supplies were halted for whatever reason, from 2015.

That is a national scandal. If demand were high—as in a run on fuel supplies in an emergency—stocks would scarcely last a week, the NRMA warned. Senator Madigan gently reminded me that we nearly ran out of diesel last year, and in his home town of Ballarat there was a diesel fuel shortage. I did not go to the joint standing committee briefing, but I previously received a one-on-one briefing with Air Vice-Marshal John Blackburn, the author of that report. I commend him for the tremendous work he is doing. This is what he had to say:

If this happens, then Australians will suffer food shortages, will not have adequate access to medical services or pharmaceutical supplies, will not be able to get to work and, if the problem lasts for more than a few weeks, many will no longer have work to go to.

This motion that has been introduced by Senator Madigan deserves our strong support; it deserves not just our words but action from the Australian government. We cannot put our heads in the sand on this issue; we must act decisively on our fuel supply. The NRMA suggests we need at least 30 per cent of our fuel refined here in Australia if we are to avoid the worst effects of unforeseen crises in shipping, the oil sector or global refining capacity. Why isn't the government looking at this?

Since 2005 I have been warning of Australia's limited refining capacity, when a secret South Australian government report warned that my home state was regularly running dangerously low on fuel. These are the issues that need to be dealt with. I hope Senator Madigan will raise it again. As I do on many other issues, I will work collaboratively with Senator Madigan on this issue because it deserves to be at the forefront of the government's attention; it has not been to date. If we do not tackle the issue sooner rather than later, it will lead to a national emergency and it will have calamitous consequences for our economy and our society. This issue will not go away—we must tackle it as a nation. I again commend Senator Madigan for raising this issue.
Question agreed to.

BILLS

Anti-Money Laundering Amendment (Gaming Machine Venues) Bill 2012
[2013]

Second Reading

Debate resumed on the motion:
That this bill be now read a second time.

Senator XENOPHON (South Australia) (16:04): This relates to legislation I introduced back in 2012, which is still on the Notice Paper and which needs to be debated and dealt with. The aim of the Anti-Money Laundering Amendment (Gaming Machine Venues) Bill 2012 is to detect and reduce money laundering in Australia's more than 5,400 poker-machine venues. Back in 2012, when I first introduced this bill to amend the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, reports were emerging of a Melbourne hotel that had failed to act on suspicions of money laundering through its poker machines. Records showed an individual and his family were claiming winnings of up to $40,000 per week. Anyone who knows anything about poker machines will tell you these odds are nigh-on impossible.

The report—by Adam Shand and Chip Le Grand of the Australian—was just the tip of the iceberg of the use by criminals of poker machines for money laundering. Unfortunately, the parliament did not support the bill on that occasion; and, unfortunately and predictably, the problem has not gone away. If anything it has gotten worse. The government's money laundering intelligence agency, the Australian Transaction Reports and Analysis Centre AUSTRAC, recently detected a 'significant increase' in the number of suspicious activity reports in relation to the use of gaming machines, according to a report this month in News Ltd publications by Frank Chung. AUSTRAC chief executive John Schmidt said:

AUSTRAC has undertaken focused regulatory activities in the pubs and clubs sector around suspicious-matter reporting over the past few years.

By consulting with our partner agencies in law enforcement, AUSTRAC has been able to identify patterns of behaviour that potentially constitute money laundering in hotels and clubs operating electronic gaming machines.

Regulatory engagement with the licenced venues, including sharing examples of risky patron behaviour, has helped to improve awareness and identification of potential money laundering activity.

AUSTRAC went on to say:

This work, coupled with the provision of specific guidance to industry, has created greater awareness of the money laundering risks in the industry and has resulted in a significant increase in suspicious-matter reporting being received by AUSTRAC.

I applaud the work of AUSTRAC and its partners in law enforcement, including the AFP, as well as cooperating licensed venues.

A spokesperson for the Australian Federal Police told News Ltd that the AFP was targeting money laundering, including in gaming machine venues. That person said:

The methods by which money may be laundered are varied and can range in sophistication. Organised criminal syndicates use a variety of methods and avenues, including matters involving the gaming sector.

CHAMBER
The next comment by the AFP is crucial to understanding why it is essential that parliament look again at this bill that I have introduced again. The AFP spokesperson said:

Both state and federal police can lay charges under money-laundering legislation. It is also important to note that the regulation of poker machines is a matter for states and territories.

The AFP enforces money-laundering offences but it can only charge an organised crime figure or group with money-laundering offences if the crime has been detected in the first place. This bill, if passed, will dramatically improve the ability of AUSTRAC and the AFP to detect money laundering through poker machines. Improved detection will lead to more arrests and charges and, in the long run, less money laundering in Australia's suburban poker machine lounges and through our casinos.

The AFP spokesperson also put their finger on the single biggest obstacle to the reform of the gaming machine sector in the country; that is, state governments. State governments are hopelessly compromised via the more than $4 billion in taxes that they raise each year from poker machine operators. But I do not suggest for one minute that they want to see any of those taxes coming from money-laundering activities nor do I suggest that the poker machine sector or the industry itself would want to see any money coming from money-laundering activities, which is why I am gobsmacked that they do not support this very sensible and measured piece of legislation.

According to the current laws, gambling venue owners are supposed to report suspicious transactions, but there is no legal obligation. State governments cannot be trusted to curb the excesses of this industry and have failed to curb the extent of money laundering in their own backyards, although it is preferable for it to be undertaken through federal law.

Industry sources, reported in The Sydney Morning Herald several years ago, have estimated that approximately $2 billion a year is laundered through hotel, club and casino poker machines and gambling chips each year nationally. The ability to load up poker machines with large amounts of cash, as well as the often lax regulations surrounding payouts, mean that launderers can and do get away with it. Criminals are attracted to poker machine venues because they are so commonplace. There are about 5,400 venues in Australia and many are darkly lit, anonymous places with very little face-to-face contact with staff or other customers.

The bill is even more necessary now than when I first introduced it in 2012. In that time, the number of poker machines has continued to expand, expanding the opportunities for criminals to use them for money laundering. One of the most recent assessment of poker machine numbers in Australia, based on state and territory figures from last July, indicates that Australia has about 200,000 poker machines across 5,400 venues. Combined, they reaped almost $13 billion in losses from Australians each year—forty per cent of that, parenthetically, is from problem gamblers, according to the Productivity Commission. I will not now go into the significant damage that that causes individuals, because the focus of this bill is in relation to money laundering.

This bill proposes to ensure that the extent of money laundering is restricted and that it is made much more difficult. Money laundering through poker machines can be achieved by one of two ways. Separately or in combination, criminals can load up thousands of dollars into a machine, up to but not above the trigger for payouts to be made by cheque. It is $10,000 in NSW, as I understand it. They then play a few games, usually losing a few dollars, and then
cash out their credits with the venue—laundering the money in the process. Depending on the regulations in each state, careful so-called playing can ensure that the criminal walks out with thousands of dollars in clean—that is, laundered—money.

A second option for criminals, usually used in combination with the first, is to wait around venues until a gambler wins a prize. Depending on the regulations, winnings over a certain amount are issued by cheque to make sure that gamblers have a cooling-off period while the cheque is processed so that they do not gamble away their winnings. Instead, criminals approach gamblers and offer to buy the cheques off them for cash, often at a discount, which the gambler can then use to continue playing. The launderers then cash the cheques, which have been signed over by the original claimant and do not carry the name of the criminal.

This bill aims to address these practices through requiring that payouts over $1,000 are made by cheque and are threshold transactions under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. Such transactions require a report made to AUSTRAC in the approved form under the act, allowing AUSTRAC to monitor and record such activity for the purposes of reducing money laundering and other prohibited actions. This reporting usually includes relevant personal details of the so-called winner and details of the transaction itself.

The bill also requires that any cheques or credits for winnings that are transferred into another name are also threshold transactions under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and also requires the details of the new recipient of the cheque or credit to be reported to AUSTRAC. Failure by venues to comply with the act can result in a significant penalty.

It is important to note that because of the miserly nature of poker machine payouts, these changes will not be an undue burden on venues. There are not going to be that many transactions in a typical day that will be affected by this, but it will make a difference with the criminals who are laundering up to $2 billion a year of drug money that is made through organised crime and various illegal activities through poker machine venues. Poker machines rarely pay out in large amounts and instead are generally programmed to provide smaller, interspersed wins. Creating these two new definitions of threshold transactions will allow AUSTRAC access to information relating to larger wins and will lead to a fine-grain view of patterns and habits vital to uncovering criminal activity.

I am not suggesting that this will put an end to that criminal activity, but it is going to make it a lot harder and a lot more cumbersome for the criminals. It will make their lives just that little bit more miserable. It will mean that they will have to work a lot harder to try to launder money. It will mean that there is a higher risk of detection because of what they will have to do to get around what is being proposed. Under these proposals, each cheque drawn triggers a report to AUSTRAC and the AFP. Armed with the information on suspected money launderers, AUSTRAC and the AFP can then apply anti-money-laundering offences.

The bill, if passed, will also act as a deterrent to criminals who will no longer be able to use the machines to launder large amounts of cash. The bill also amends the act so that the controller of a poker machine venue will be considered to be providing a designated service under the act. This will mean that the controllers of poker machine venues will be required to abide by the laws surrounding threshold transactions. AUSTRAC already has regulations in place relating to some forms of gambling, including sports betting and casinos. These
additional safeguards are a way to plug a loophole in the law, as well as protecting problem gamblers and venue owners.

Poker machines cause great harm in our communities. The poker machine sector is clearly wary of regulations. They fought and succeeded in stymying moves in the last parliament to limit the damage done to problem gamblers via $1 bets and mandatory precommitment, as recommended by the Productivity Commission. Such measures, if adopted, would have made a real difference to many people's lives. Now, unfortunately, it appears that the poker machine lobby, the poker machine barons, will resist these simple measures to curb money laundering via poker machines. Clubs Australia Executive Director, Anthony Ball—Anthony, if you are listening, cheerio to you—has called this bill a 'waste of the time and resources of our federal parliament'. Mr Ball went on to say:

This bill has been rejected by the Parliamentary Joint Select Committee for Gambling Reform, and its introduction would only heap further regulatory burdens on clubs, which already have significant anti-money laundering compliance measures in place despite their low risk profile.

Mr Ball reckons that anyone attempting to launder money through poker machines would have to be the world's dumbest criminal due to the presence of CCTV cameras and existing identification requirements, saying, 'The only criminal who would try to do this is one who was desperate to get caught.' What nonsense. Mr Ball clearly, incredibly, has no understanding of what is going on in the venues he is meant to represent. He should pick up the phone and call AUSTRAC or the AFP.

By contrast, Adam Masters—one who does not have a vested interest in this issue—who is a researcher with the Transnational Research Institute on Corruption at the Australian National University, has said that lowering the threshold for reporting to AUSTRAC to $1,000 would 'definitely have an effect' on the profitability of money-laundering operations. Mr Masters, a former 25-year veteran with the AFP and a former team leader for Interpol in Australia, predicted the bill would impose 'minimal administrative burdens on venues'. The poker machine sector already fleeces close to $13 billion from Australians each year. It must not be permitted to impede what I believe is sensible reform, what Mr Masters from the Australian National University says would impose a minimal administrative burden on venues but would make a difference in terms of money-laundering operations, make it harder for the criminals to launder their money.

The bill is an essential step towards bringing the scourge of money laundering in poker machine venues into sharp focus and allowing police and AUSTRAC to enforce the law. I urge my Senate colleagues to support it when it next comes before the Senate for a vote.

Senator REYNOLDS (Western Australia) (16:17): I rise to speak on Senator Xenophon's Anti-Money Laundering Amendment (Gaming Machine Venues) Bill 2012. The government does not support this bill. This bill seeks to introduce amendments to existing legislation that will increase the regulatory demand on an already heavy regulated sector.

Electronic gaming machine venues, such as casinos, hotels and clubs, must already comply with strict obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. Depending on a venue's size, requirements under the existing act already include: having a program to identify, mitigate and manage money-laundering and terrorism-financing risk; identifying customers for transactions involving $10,000 or more; and reporting cash
transactions of $10,000 or more. All gaming venues are already required to report suspicious matters to AUSTRAC.

The purpose of this bill is to amend the current act to lower the reporting threshold for gaming machine payments to $1,000. It also seeks to include the cashing of transferred cheques for amounts in excess of $1,000 in the definition of 'threshold transaction'. Under this bill these transactions would then have to be reported to AUSTRAC.

The government believes that the current regulatory framework, in place since 2006, provides adequate controls and mitigations for the risks of money laundering and that lowering the threshold to the level suggested would pose an unnecessary burden on gaming venues. During the passage of the original legislation, the appropriate threshold for reporting was extensively analysed. The government believes that this is an issue of balance and that the balance is currently struck in the right place. The outcome of that original analysis was to set the threshold at its current level of $10,000. There is simply no evidence that this needs to be amended, as currently proposed.

While we will not be supporting this bill, the government does take money laundering very seriously, and that is why Minister Keenan recently announced changes to the customer due diligence obligations of regulated entities. These changes are designed to strengthen Australia's anti-money-laundering and counter-terrorism financing regime. The announced changes apply to electronic-gaming venues, and will increase transparency and customer identification processes.

The ongoing work of gaming venues in customer due diligence, reporting threshold transactions and suspicious matters is of central importance. The government knows this and understands this and is acting on it. We believe AUSTRAC already works closely and collaboratively with industry and holds regular meetings with both state gaming regulators and industry associations to ensure that matters of concern are discussed and actioned where necessary, and also that all obligations under the act are understood. AUSTRAC has run a number of awareness campaigns over the last few years to increase awareness of the risk of money laundering through the use of electronic-gaming machines. As a result of these campaigns there has been a significant increase in the number of suspicious matter reports. In 2013-14, there were 381 suspicious matter reports, with a total value of $10.1 million. Compare this to 2012-13, when there were only 135, with a total value of $3.4 million. This indicates that education and awareness campaigns are working and are already having a significant effect in identifying money laundering through electronic gaming machines. These crucial measures assist law enforcement agencies to detect and investigate possible money laundering and other criminal activity connected to gaming venues in Australia.

I want to also touch on the excellent work of AUSTRAC in this area. I was very heartened to hear Senator Xenophon acknowledge the wonderful job that the organisation is doing. AUSTRAC, as the primary body responsible for tracking money laundering within Australia, plays a significant role in ensuring the safety and security of all Australians. For many years I had very close involvement and association with AUSTRAC. I have seen first-hand the wonderful job that that organisation does on behalf of all Australians.

AUSTRAC's role is to protect the integrity of Australia's financial system and to contribute to the administration of justice through countering money laundering and terrorism. They do excellent work in conjunction with Australia's other law enforcement agencies to counter the
financing of terror and organised crime. AUSTRAC continues to work collaboratively with businesses and law enforcement to assess money laundering threats in Australia. These joint efforts improve our ability to prevent, deter and prosecute money laundering.

The government, through the Attorney-General's Department, is also currently undertaking a statutory review of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. This very important review is estimated to be complete early in the new year. It will follow an on-site visit and mutual evaluation by the Financial Action Task Force. The Financial Action Task Force is the world standard-setting organisation for anti-money-laundering and counter-terrorism financing. Australia, pleasingly, is currently the president of the Financial Action Task Force. This already reflects our position as the world leader in anti-money-laundering and counter-terrorism financing.

Contrary to Senator Xenophon's assertions of undue influence on the government in relation to this matter, the government does believe that the current regulatory framework provides adequate controls and mitigations for the risks of money laundering and that lowering the threshold to $1,000 would pose an unnecessary burden on gaming venues, especially those which are small business.

Senator Xenophon: Mr Acting Deputy President, I rise on a point of order. Senator Reynolds has said that I made assertions that the government was subject to undue influence by the industry. I do not think that I actually said that. I will stand corrected, but I think that she has jumped the shark on that one.

The ACTING DEPUTY PRESIDENT (Senator Sterle): Senator Reynolds, I have to apologise. I was talking to the Leader of Opposition Business about the running order. I am sorry I completely missed it.

Senator Xenophon: Mr Acting Deputy President, I just ask that Senator Reynolds withdraw that comment. I have not accused the government of undue influence in relation to money laundering.

Senator REYNOLDS: Mr Acting Deputy President, I do withdraw my comments. If I have misinterpreted the comments that Senator Xenophon made in relation to the organisation's influence on the government, I apologise.

The government believes that the current regulatory framework provides adequate controls and mitigations for the risks of money laundering. Lowering the threshold to $1,000 would pose an unnecessary burden on gaming venues, especially those which are small businesses. This government is absolutely committed to reducing red tape in Australia by $1 billion each year and not increasing it. This commitment was realised in the first parliamentary repeal day in March this year and through other measures such as the National Gambling Regulator. The National Gaming Regulator and its associated measures duplicated the roles of state and territory regulators and foisted a huge, unnecessary and expensive red-tape burden on hospitality venues. While the government will not be supporting this bill, the government does take money laundering very seriously. That is why Minister Keenan has announced changes, as I have previously stated, to the customer due diligence obligations. We believe that these changes will apply to electronic gaming venues and will increase transparency and customer identification processes.
Ongoing customer due diligence by gaming venues and the reporting of threshold transactions and suspicious matters where required are crucial measures that assist law enforcement agencies to detect and investigate possible money laundering and other criminal activities connected to gaming venues. AUSTRAC, with law enforcement and business, are continually assessing money laundering threats in Australia to improve joint efforts to prevent, deter and prosecute money laundering.

Senator MOORE (Queensland) (16:27): Senator Xenophon, we will continue to have these discussions in this chamber, as you well know. You will be bringing back your range of issues around gambling in Australia, as you need to do and as I know you will.

The bill before us is the Anti-Money Laundering Amendment (Gaming Machine Venues) Bill 2012 [2013]. I am disappointed that we did not have the chance to consider this bill in the Senate Standing Committee on Community Affairs and that I could not refer to the evidence that we had received in committees that we have served on in the past on a range of gambling bills. I did go back and checked out the Parliamentary Joint Select Committee on Gambling Reform, to which this bill and three others went. They brought down their report in June 2013. Quite disappointingly, considering the amount of discussion that Senator Xenophon has brought to us today and in statements over the last year and a half to two years on this issue, when this bill was brought to the joint select committee there were only two submissions. It was probably one of the bills that attracted the least interest in the wider community. Perhaps they were scared away by the legal nature of it. Perhaps they did not want to get involved in the discussions of AUSTRAC and the various processes there. It is really difficult to get a sense of where the rights of the argument are when you only have two submissions, as anyone would know. These submissions came from Clubs Australia and the Australian Churches Gambling Taskforce. Unfortunately, whenever we get into these discussions, these two groups—who both have knowledge, who both have a passion and who both make public statements expressing concerns about problem gambling—consistently do not agree.

On this bill, there was again a great divide in the evidence they presented. The church antigambling group pointed out their worries about the process and about their inability to communicate effectively with people in positions of authority. They expressed their concerns about the sorts of issues Senator Xenophon was raising—the problems of money laundering and the extra pressure that puts on people. They had already identified the problem of compulsive gamblers and the awful consequences for them and their families—and no-one knows more about those issues than the Australian Churches Gambling Taskforce. Those were the issues they raised.

Understandably, the submission government received from Clubs Australia talked about the existing processes—just outlined here again by Senator Reynolds—the existing provisions under the act and the Anti-Money Laundering Amendment (Gaming Machine Venues) Bill. They talked about the kinds of regulations and restrictions that already existed. Then, as we consistently hear in this debate, they emphasised what the impost on them, their businesses and their staff would be of any kind of restriction or any kind of regulation. Once again, then, as has consistently been the case in this debate, we have two groups who do not agree—two groups who, I think, far too often talk at each other rather than to each other and too often speak with third parties instead of with each other.
The Labor Party is not willing to support the bill as it is written—and Senator Xenophon knows that. We are concerned that there continues to be conflicting evidence. I take your point absolutely, Senator Xenophon, about the academic research you brought to us today—which I have not read and which was not with your bill—from the well-regarded researcher you named in your contribution. I put a great deal of value on that sort of work and would like to see it continue, especially since one of the main things that has come out of our debates over the last two years is the absolute need for more independent research—that is something that everyone agrees on, I think. When we get such research, we need to discuss it from all perspectives. We need to see how the data supports the different arguments about what the impacts would be, for example, of a reduction in the amount of money that could be gambled—that thousand-dollar limit. In that context, and referring also to the evidence from AUSTRAC and the work that has already been done, we could objectively assess the claims that we hear: that there are strict regulations in place, that clubs are already regulated, that they have responsibilities which they regularly review, and that they try to ensure that their processes for discharging those responsibilities are clearly set out and transparent.

That is the argument that is going on. Clubs Australia—and, to an extent AUSTRAC—are saying that the way they are implementing the current legislation is effective. I do not believe that any piece of legislation should ever be sacrosanct. I think it is very important that, as questions are raised and as the process attracts interest, there should be an opportunity to go back and review what is going on. I think Senator Xenophon's bill highlights exactly that kind of discussion point.

The government position has been put by Minister Andrews, that he was moving away from the work that had been done by the previous government—options for various trials and the concept of having a central regulatory point. Senator Reynolds outlined that in her contribution. The government's position was that they wanted to start anew, that they would like to move forward in a reasonable and effective way to consider the important issues of gambling. That received some media attention at the time. Certainly we had a discussion in this place about what was happening—the change from what the previous government had put in place. The budget then took away money that had been allocated by the previous government in this area, replaced by a promise from the incoming government that they would take us down a reasonable and responsible path towards finding some solutions. I say, 'Let's get on this path.' Let us get on this path so the kinds of issues that Senator Xenophon is talking about can be dealt with. Let us look at the evidence that has come forward and let us undertake engagement so that we can understand exactly what is going on in this disputed space.

I shared a number of weeks on the community affairs committee with Senator Xenophon and other senators, all of whom were genuinely concerned about problem gambling in Australia. There was no doubt about that. There was no difference between the senators. In hearing them talk about the issue, you would not have been able to tell which party they belonged to or which group they represented. Certainly they took a genuine interest in these issues. We sat there for a number of hearings. First we heard, 'The sky is blue', and then we heard, 'The sky is black'—nothing, there was no agreement. As I said, what we have is an unresolved dispute.
We now have a commitment from the new government to put in place this new, responsible process to look at gambling issues in our community. Well, we have been waiting—because there are many of us who would like to walk down this path together with the government in a responsible and responsive way. So far there has not been a lot of action.

Certainly I believe the issue that Senator Xenophon has raised in this bill, which is the opportunity for criminal behaviour and money laundering to occur in our clubs, specifically around gaming machines, is a real issue. We need to see whether it is accurate and can be backed up by evidence and then balance that against the kinds of arguments we have heard pretty consistently from the clubs industry, which is about what impact bringing in yet another level of regulation would have on their business, their viability and the pleasure they provide to a number of people. If we are going to have a responsible, cooperative approach, then I stress this one paragraph we received from the government which talks about this new process 'engaging all stakeholders'. This has to happen. If you have heard me speak on this issue before, Mr Acting Deputy President, then you would know it has been the major process I have put on the table: we must engage all stakeholders. So far, I do not think we have been able to come up with any kind of common approach in this area.

In hindsight, whilst our Senate community affairs process followed the standard model where we invite people to put in submissions, we call for public hearings, we have them, we put all the evidence together and then we talk about where we will go with our report—and I would think it is a very similar process to that of the Parliamentary Joint Select Committee on Gambling Reform—we did not get the people together at any of these hearings. We heard sequential pieces of evidence from witnesses who were putting forward their own views. It should be done with everyone together, with the senators, so that we can see how people are interacting and responding to particular positions.

In this case, the kinds of evidence that Senator Xenophon has concerns about is money laundering, the ease with which this could happen and the fact that, under the current provisions of the act, AUSTRAC would not be able to gather evidence into their process for consideration. I think it probably would be more useful to hear those voices together, not speaking over each other—which sometimes happens when we get excited in these processes—but face-to-face so that we can ask questions in an engaging way rather than one where we hear the evidence, we close it off, we sit down and we do not have a chance to say, 'What do you think about that?' So perhaps in the responsible and reasonable way that the government has said they are going to move forward on the gambling issue, we could look at having some cooperative process whereby we get people who care about the issue together.

I would be particularly interested to hear more about the evidence that Senator Xenophon has just put forward, because if that kind of information has been put forward by researchers it would be useful to see the reaction to it by people who one would expect from previous experience would not share a similar consideration. This could be such a process, and I think many people would like to be engaged in it. Again, I stress that the difference is not the concern about people who are damaged by problem gambling. The difference is certainly not any concern about whether there should or should not be illegality in our registered clubs—and I think that is clear. In fact, in their submission to Senator Xenophon's Senate select gambling reform bill, Clubs Australia were very quick to point out that they actually take their legal responsibility particularly seriously and that they already have a relationship with
AUSTRAC that is focused on ensuring that there are minimal opportunities for the kinds of issues Senator Xenophon describes in terms of people being able to launder money—money that would have been obtained in an illegal way and then put into legal tender so that it could be used in other ways. ‘Cheque change’ is one process whereby you can cash a cheque and then use that money in other ways. The clubs were clear that it was not common practice in their business. We need to see what evidence they have for that view, as opposed to the concerns about what could happen.

The other thing that was raised—and this widens the whole thing—is that Senator Xenophon’s bill is particularly about gambling machine venues, and we heard that consistently. I know that a series of the bills put forward by Senator Xenophon at the time were looking mainly at the area of gambling machines. If these things are occurring and there is an opportunity for people to invest money and for it to be used in ways that are illegal or inappropriate then surely that should exist across the board in all gambling areas. My experience of the gambling world is walking through a casino, and my observation of the activities while on those walk-throughs is that there are a whole range of temptations for people who want to be involved in gambling—and they are not just in the machine area where people can win significant amounts and then get into the kind of temptation that Senator Xenophon has specifically pointed out in his bill around gambling machines.

As Senator Xenophon well knows, this debate will continue into the future in whatever way it will do so. At this stage, we are not supporting the bill in its current form. What we are supporting is that there needs to be continued action, because the problem has been identified. The reasonable and responsible response has yet to be identified.

Debate adjourned.

COMMITTEES
National Disability Insurance Scheme
Report

Debate resumed.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (16:45): by leave—I move:

That the Senate take note of the report.

The progress report on the Implementation and Administration of the National Disability Insurance Scheme was written by the Joint Standing Committee on the NDIS, of which I am a member, and I commend the secretariat for their assistance. I also want to commend the staff of the National Disability Insurance Agency, service providers, carers, and of course the people with a disability who have worked so hard to see the NDIS dream become a reality.

The NDIS represents a milestone in Australian history. It was designed and launched by the previous Labor government in recognition of the fact that people with a disability deserve a fair go. They deserve the opportunity to actively take part in work, school and community life, and they deserve the individual support needed to do this. This is exactly what NDIS offers—a unified system that identifies and prioritises the needs of the individual; a system that promises Australians with a disability, their families and their carers more control over
their lives, more certainty over their care and more opportunities to contribute productively to the nation.

The NDIS report before us today logs the first steps toward the full rollout of this landmark initiative and gauges how we are progressing. It is the result of evidence the committee gathered from public hearings in the Barwon, Hunter, South Australian and Tasmanian trial sites in April and May. Today, I would like to talk about the progress of the rollout in Tasmania, which on 31 March was on track to support 1,000 Tasmanians with a disability aged between 15 and 24 in its first year. This is a particularly important trial that will inform future NDIS rollouts across the country on how we can best support our young people with a disability as they transition from school to work or further training. From 2016, the rollout will be opened up to other people with a disability. It is predicted that it will support more than 10,000 Tasmanians in the future.

The report notes the success of the Tasmanian rollout in effective planning, objectives being met, dramatically reduced waiting lists and great feedback from participants. It also recognises that the groundwork for these great outcomes was laid very early on. This was helped by comprehensive data from both the state government and the gateway service for people with disabilities. It meant that tailored consent processes and early planning measures could be devised well in advance of launch.

Another great strength of the Tasmanian rollout has been its effective engagement strategy which has resulted in strong relationships with a wide range of stakeholders. In fact, the committee believes the Tasmanian engagement strategy offers a good model for other areas to replicate. The report also notes that, with the exception of those seeking housing and respite services, there are no waiting lists for the Tasmanian trial site.

The most worthwhile achievement outlined in the report is that the Tasmanian rollout is meeting the needs of its participants. In fact, 95 per cent of those surveyed indicated strong satisfaction in the process and outcomes they have had to date through the trial. This is an impressive statistic indeed, but perhaps the words of Mr John Coyle tell the more important human story. Mr Coyle is the father and full-time carer of three children, two of whom have severe intellectual difficulties. Here is what he said about the experience of his family with the NDIS rollout in Tasmania:

With the advent of the NDIS we are given a lot more individual control.

We go armed with the funding; so, when we approach a service provider, we are spoken to differently, we can tailor our situation and my children's development can be targeted … That was non-existent before …

The NDIS is probably a godsend for us and I hope it continues. Now I have one-on-one support for my daughter, I can be the carer for my son.

I commend this report to the Senate, congratulate all involved with this rollout and acknowledge what a superb success it has been. By the time the full scheme starts in 2018, more than 460,000 Australians with disability will take part in the National Disability Insurance Scheme—and all Australians will benefit.

NDIS is a groundbreaking program that will ensure a more inclusive, more productive Australia for all of us. To my colleagues on the other side, I urge that you maintain your support for this vital initiative into the future.
Community Affairs References Committee
Report

Debate resumed.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (16:50): I would like to take a few moments to talk about the Community Affairs References Committee's report into Out-of-pocket costs in Australian healthcare. I think it is important that I spend a few moments to outline this report, because the committee heard important evidence which heavily criticised the coalition's attack on the universal health-care system that has held this country in good stead for 40 years. It highlighted just how out of touch this government is with the lives of everyday Australians. The committee made a number of recommendations, but the key recommendation was that 'the Government should not proceed with further co-payments.' The evidence was overwhelming in this regard.

Evidence to the inquiry emphasised that, rather than discouraging 'overservicing' and reducing the number of 'unnecessary visits', the introduction of co-payments would have a negative impact on consumers' ability to access necessary primary health care services. The Royal Australian College of General Practitioners provided the following evidence:
The federal government's proposed co-payment model is intended to reduce unnecessary general practice health service use. However, international studies demonstrate that, with the exception of the most vulnerable patients, there is limited evidence that co-payments actually reduce health service use. The economic rationale for implementing co-payments is further confounded by evidence suggesting that healthcare costs increase due to preventable conditions not being treated and poorer control of chronic disease and greater hospitalisations.

Submitters and witnesses expressed concern that an increase in out-of-pocket costs in the form of a co-payment for GP services would result in people delaying seeking medical treatment. In its review of health care in Australia, the COAG Reform Council found that nationally, in 2012-13, 5.8 per cent of people delayed or did not see a GP for financial reasons.

Adding an additional co-payment will exacerbate the situation and impact disproportionately on individuals with the greatest healthcare need, including Aboriginal and Torres Strait Islanders, elderly people, women, people on low- or fixed-incomes and people with chronic illnesses. A $7 GP tax would also affect the viability of GPs in rural and regional areas and could lead to their closure. Mr Gordon Gregory, the Executive Director of the National Rural Health Alliance, told the committee:
… we anticipate that a $7 co-payment will present a dilemma, especially for lone GPs in small rural and remote towns, and that the viability of these medical practices may be reduced, with consequences for access to health services in those towns. Further consideration of the impact of proposed new co-payments should therefore include their differential impact on people in rural and remote areas.

Evidence provided to the inquiry indicated that people living in rural and remote areas are less able to pay out-of-pocket costs, resulting in a greater proportion of people in rural and remote areas postponing or not making visits to a health professional due to the costs. As a member of the committee, I was concerned about the evidence given about the effect that the $7 GP tax and other proposed government measures would have on my home state of Tasmania. I would particularly like to highlight the evidence given by the President of the AMA, Associate Professor Owler, who said:
Tasmania has a higher burden of chronic disease and higher smoking rates, and we need to do more to encourage preventive health care and chronic disease management. That is why I think the co-payment is probably going to affect Tasmanians more than it affects people in other jurisdictions.

The Department of Health clearly articulated what was wrong with the ideology behind the coalition’s policy of a GP co-payment, saying:

Basic economics suggests that, other things being equal, increased prices lead to decreased demand ... However in real world situations, particularly in health, other factors are not equal, and the relationship can be quite complex. In particular, demand is also influenced by income, and for superior goods like health, demand can be very elastic and grow faster than incomes. Moreover, not all health interventions have the same value and changes in aggregate demand may not impact on health outcomes if they reflect a ‘swapping out’ of less effective interventions for more effective interventions.

It is disappointing that the coalition senators chose to write a minority report that coincided with the government's own ideological position rather than the evidence given at the inquiry, because this inquiry clearly showed their thinking is flawed and they need to stop developing policies based on self-serving ideology.

Cost is currently preventing Australians from seeking the treatment that they need. Adding a GP tax will further increase the number of Australians delaying treatment—particularly the most vulnerable Australians. This will cause an exacerbation of their symptoms and they will present to hospital with more severe conditions at significant additional costs to the health system. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Economics References Committee
Report

Debate resumed on the motion:
That the Senate take note of the report.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (16:56):
I rise to address the Senate Economics References Committee report, Future of Australia’s naval shipbuilding industry. Although I was not a member of that committee, I have read through the submissions and have been involved in this for some time. As a senator for South Australia, who is deeply concerned and involved in our defence industry and our Defence Force, I have a great interest in this topic.

Part of the reason that shipbuilding is important is the capability it gives us in a number of areas around the innovation of design and our abilities to sustain ships in a cost-effective manner and repair and modify ships as appropriate. It is not all ships, just as it is not all pieces of defence equipment, but the important part is that to be a sovereign nation we need to understand the competence and capacity that we need in our engineering workforce—whether they be in industry or in uniform—and in the infrastructure and capacity of the industry to perform certain functions. The way we achieve that moving forward is to avoid the bookended projects we have had in the past and that we have seen in things like our air warfare destroyer and how that start-stop approach has killed off the investment in skills and infrastructure that we build for a given project. The project stops, it all dies and then we face cost and risk when we start to try and rebuild that capacity down the track. There is a clear case to have an ongoing plan.
One of the arguments that I believe is important to take on board is that the defence industry provides one of the fundamental inputs to our defence capability. Very welcome side products of having a defence industry here are jobs and investment in the economy, but we need to bear in mind the government's primary responsibility is the national security of Australia. The reason we should be concerned and should take an interest in the viability of the defence industry is that they are a fundamental input into defence capability. We need to understand what the elements are of the defence industry that need to be viable in order to keep our Defence Force viable. I have put forward a number of papers and discussions around the fact that the Capability Development Group should actually have ownership of planning out over the next 20 years—not just for the life of one project, but over multiple projects, over at least a two-decade period. In a rolling fashion, they should be updating: 'What are the investments that the government needs to encourage industry to make, and, where necessary, the government needs to make, to have the engineering and manufacturing competence and capacity that is required to support our Defence Force?' If we get that right, then not only will our Defence Force have more effective and available capabilities; we will have better-informed decision-makers within the military, and within government, which is the basis of being a sovereign nation.

Importantly, if we choose the right projects to invest in, to have that work done onshore, we will have a better return to the economy. I would just like to talk through that a little more. Professor Goran Roos, who is now based in South Australia but has worked extensively overseas, brings a focus to work that has been done in northern Europe, has been done in North America and has been done in the UK, where, for defence projects—and I highlight here that we are talking about defence projects—there is a strong case that can be made that the second-order effects, or those spillover effects, of investing in industrial innovation and capacity in a country, returns to that economy, over a period of time—a decade or more—multiples of anything from around 1.6 in the UK for their shipbuilding, through to multiples of up to six in the US for some of their aerospace projects.

This does not hold for other sectors. People often quote the automotive sector and argue that spillover effects cannot be measured and are not effective—and we just have to look at the money that has been invested in people like Holden and Ford here, and yet they are closing down.

The difference between other sectors and Defence is that, in other sectors, the public have the option to choose whether or not they will purchase those cars. If they want to go and buy a Hyundai or a BMW they can do that. So there is not a certain market. There is also not a certain time frame for a particular product that is developed.

The reason this works and can be quantified for Defence is that you have one customer, who is normally going to operate a piece of equipment for at least 10 to 15 years—sometimes 20 to 30 years—and so you have an almost guaranteed quantity that are going to be acquired. You have a through-life-support program put in place. You have an upgrade cycle put in place. So all the elements that contribute to second-order effects are there in a Defence acquisition. That is why it stands alone compared to others.

So this works for some projects, not all. For projects that are low-complexity and that do not involve a lot of innovation, the theories and the quantifiable effects are not there, which is why we should not necessarily rush to try and do everything in Australia. But there are some
areas where complex projects, requiring systems integration and innovation, clearly have—and it is demonstrable and measurable—the spillover effects that will give us those engineering skills that will deliver the ability for us to be a smart customer, to have the sovereign capability as a nation to understand our equipment—its shortcomings; its effectiveness—so that our war-fighters have the best equipment, and the decision-makers—whether they be logistics, people involved in the sustainment, or at a political level—have the information they need to make decisions that are in the best interests of the nation.

There are a number of examples that I can provide in both the maritime and particularly the aerospace sector, which is my own background, where the ability to understand, modify and certify aircraft has saved the Commonwealth significant amounts of money. Where we have lost those engineering competencies because we have not planned this out over time, we see disaster—for example, the collapse of the amphibious fleet in 2011. Navy has now had to spend a large amount of money trying to recreate and restore the engineering and technical competencies to actually understand and oversee the engineering to ensure the seaworthiness of its ships. So there is an investment that is appropriate for governments to make in the engineering competence and capacity in both uniform and industry, if we are going to sustain the capability. And that, fundamentally, is why we should be supporting shipbuilding here.

Turning to the particular terms of reference of this inquiry: it was looking at the supply ships and looking at why they were not built here in Australia. Looking through the submissions, one of the things that I see, and it is a constant theme, is that people such as BAE Systems and ASC—some of the major shipbuilders here—recognise that they could not deliver in the time frame that the government needed in order to replace the supply ships.

The time frame is important, as we see if we look at the decision points to actually get ships into service. The AWD is currently just past the peak of its workforce engagement. The decision to actually get ASC to be the shipbuilder was made in 2005. The decision on the design going to Navantia was made in 2007. So, 2005 to 2007 to now—we are talking seven to nine years between those two decisions and now. So, clearly, if we wanted a project to continue that workforce and that investment, the supply ships project was never going to cut it because it would not be delivered in time.

That is why the way forward to actually sustain that investment—that has been made, to their credit, by the South Australian government in Techport, in ASC, by BAE Systems and others, in the ability to design and manufacture ships, or to understand the design and manufacture of ships—is the future frigate project. The reason that that is viable is that—with the investment that the government has made, of some $78 million, to establish the viability of integrating the CEA radar and the Saab 9LV combat system into the existing AWD hull—that means that we could commission, early on, the manufacture of hull blocks which will keep those skill sets going. When the fit-out of the three AWDs is finished, we then start looking to assemble and fit out the hull blocks for future frigates. What we start generating is economies of scale. We have proven with the Anzac project that we are capable of equalling, if not bettering, world's best practice in productivity. But it always takes a number of ships. So by continuing the lineage of that design around the hull, by integrating Australian systems, we achieve a continuity of build, which gets a return on the investment we have made in those skills and capability. It gives us the kind of engineering competence and capacity to deliver sovereignty to the nation, good capability to Defence and a return, importantly, to the
Australian economy, which for South Australia would also have the flow-on effect of those jobs. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Economics References Committee

Report

Senator XENOPHON (South Australia) (17:07): I rise to speak to the motion to take note of the Economics References Committee report, *Future of Australia’s naval shipbuilding industry: Tender process for the navy’s new supply ships*, which Senator Fawcett has just referred to. I was a participant in this inquiry. In fact, the terms of reference for this particular inquiry were proposed by me to the committee. Although Senator Fawcett did not participate in the inquiry, I commend him for his very considered and wise contribution. I have enormous respect and regard for the fact that he served our nation well in the Australian Defence Forces in the Australian Air Force.

Let us make no mistake about this. The decision made by the government on the basis of advice from the Defence Materiel Organisation not to even allow Australian companies to tender for the $1.5 billion supply ship contract is a disgrace. It does not make sense to me that they be excluded entirely. It does not make sense to me that Australian companies did not even have a chance to be part of a competitive tender process. It is a gobsmackingly stupid decision by the government.

Having said that, I have a lot of respect for the integrity, the decency and the competence of our Minister for Defence, Senator Johnston. I think he is a good man who is doing his best, but somehow this decision was made. I do not want to focus my remarks on Senator Johnston because I suspect, although I have no evidence for it, that there were other forces at play, that, in relation to this particular decision, the bean counters won, that the DMO won the day, and that really concerns me.

Let us put this decision in perspective. The Australian government is effectively saying that Australian companies are not worthy, are not good enough to put in a tender for a $1.5 billion contract—$1.5 billion worth of shipbuilding with a huge strategic, economic and social impact on this nation. We heard evidence at the inquiry from local shipbuilders. We heard evidence from the Australian industry that they could have been part of this, that they could have participated in this project with a joint venture with overseas shipbuilders—maybe the hull could have been made overseas, given the time constraints, but that the fit out, the technology, the electronics, the various capabilities within that vessel all could have been done here in Australia, so that a significant proportion of the $1.5 billion could have been spent here in Australia. We heard from Senator Fawcett about the potential multiplier effect. We heard from him that it could vary from 1.6 to seven in terms of the number of other jobs it could create, the economic activity that could drives, let alone the skills base that it could build and let alone the strategic significance of that.

Let us put it into perspective, Mr Acting Deputy President Edwards, as a fellow South Australian senator. We are in deep trouble in our home state of South Australia with the impending departure of General Motors Holden as an automotive manufacturer in South Australia. We are losing skills. I know of smart car designers and engineers who are already going overseas because the jobs will not be here in three years time. We know that in South
Australia there are many thousands of jobs in the component sector, directly between 7,000 and 10,000 and indirectly in tier 3 and 4 manufacturers, thousands more—a huge economic impact on South Australia.

We know that unless we ensure as a matter of urgency that there is a sufficient fund to allow those industries to transition, to make other things, other than for General Motors Holden, for Toyota or for Ford in Victoria, as they do, there will be mass job losses; there will be a massive impact on the South Australian economy. I do not understand why the federal government, in addition to ripping $500 million from the Automotive Transformation Scheme as part of their election promise, took another $400 million from the Automotive Transformation Scheme in the budget. I put on notice to this government that I will oppose resolutely, I will oppose it every way possible to ensure that those cuts do not go through. I am grateful for the discussions I have had with Senator Kim Carr from the opposition, whose passion for manufacturing is well known. We need to ensure that those cuts do not take place and we also need to ensure that ships are built in Australia, that submarines are built in Australia and, as much as possible, in South Australia.

Senator Fawcett's contribution made a very good point about the capabilities and made a very good point about the fact that when you are building something you build up the skills and expertise, that to judge our shipbuilding industry by the first ship or the first submarine that is built is not fair because that is not how it works in the real world. We know that expertise and efficiencies are built up as you go along. If there are labour practices that could be improved, if productivity gains are to be made, then so be it. I am all for that, but not to allow the Australian shipbuilders to even tender for a $1.5 billion supply ship contract is extraordinary. It is a vote of no confidence by the DMO, by the Australian government in our shipbuilding industry. I think the ordinary man or woman in the street, if they heard that, would be scratching their head and saying, 'Why wasn't Australian industry given a chance, a fair go, to even compete for this tender process?' I know that Warren King, the head of DMO, has been around for a long time, but I do not accept his rationale for the decision. I think the rationale could be summed up as: 'We didn't want to put Australian industry to the expense of putting in a tender process.' How insulting!

I think it is important that we put it into perspective as well that, for every dollar spent on local defence procurement, there is a huge impact on our local economy. A study done in the United Kingdom indicated that, for every pound spent on local UK defence procurement, there was a return to the exchequer, the treasury of the UK, of 37 per cent. That is the magnitude we are looking at. So even if a ship is a bit more expensive to build in Australia, the economic benefits are still overwhelmingly in favour of it being built here—let alone the strategic significance of it being built here. We are losing our engineers in the automotive sector. We are losing our expertise in manufacturing. If we lose our shipbuilding, if we lose our submarine capacity, it will be a disaster for Australian industry and for my home state of South Australia.

I thank, and acknowledge the role of, Chris Burns, the head of the Defence Teaming Centre in SA. He has been a champion for the local defence industry and has spoken fearlessly on behalf of local defence contractors. In fact, what he has said resonates across the country. He is a highly competent and articulate representative for the industry and his views ought to be
heeded by government. His submission, and his evidence, was incredibly powerful, yet it appears that it has been ignored by government. What Mr Burns told the committee needs to be heeded. We need to look at having some certainty for the industry. If we do not, the valley of death will be upon us. We will lose thousands of jobs that we will never get back and we will lose that critical defence capability, which will be a national tragedy. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Economics References Committee
Report

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (17:18):
I rise to make a few brief remarks about the Economic References Committee report on the performance of the Australian Securities and Investments Commission. Whilst I am not a permanent member of that committee, I did participate in that particular inquiry because of my role as the chair of the Parliamentary Joint Committee on Corporations and Financial Services, which has a legislative role to oversight ASIC and its work.

This report has hit the media, and people are aware of the case that was used as an example, Commonwealth Bank financial planning. I have spoken to many people in the community and the industry about the report and about the media coverage. One thing I would like to say up-front is that I recognise and want to put on the public record that there are many financial advisers, both in large vertically integrated companies and in small independent operations, who work ethically, who work hard and who work for the best interests of their clients. I think it is important to say that because it is always disappointing to see an entire group of people or an entire profession being mired by the actions of a few.

Whilst there a few who are the cause of the worst action—in the Commonwealth Bank and others; recently Macquarie Bank has been in the news—the report does highlight, from a governance perspective, the role of the regulator and, particularly in the larger organisations, the role of the board, the senior management, the supervisors and the remuneration structures that are put in place. All of those things combine to either encourage or allow certain cultures and behaviours within organisations.

The report had a large number of recommendations. One recommendation in particular that has affected my committee was that we take on an inquiry looking at raising professional standards in the education of financial advisers. We have done that. We have called for submissions and we are starting to receive submissions from people in the industry. That is important because, at the moment, after doing a very brief course, RG146, in under two weeks you can have a qualification that enables you to work in a sector where you are advising people on their life savings, which can run into the tens or hundreds of thousands of dollars or even millions of dollars. I think the ordinary person on the street would expect that somebody who is going to be advising you on those things would have a higher level of training, qualifications and experience if you are going to entrust your life savings to them. I am pleased in that regard to see that, in recent weeks, some of the large financial organisations have come out ahead of our inquiry and said they recognise that they need to professionalise and they are going to start setting some benchmarks and looking at tertiary qualifications as well as ongoing professional development for their members.
The inquiry will have an important job to do to try and coalesce the interests of people who are working in the small independent firms, people in the large integrated firms and people who work in the self-managed superannuation space to make sure that we find a common landing ground for how that would work—who regulates it? Is it going to be regulated by industry? Is it going to be regulated by ASIC? Who sets the standards? Who enforces those? Who oversees ongoing professional development? How do we grandfather people who in some cases have been working very successfully and very ethically in the industry for many years but do not have a tertiary qualification? How do we bring them in? There is a body of work to do and I look forward to that engagement.

I do want to make the point that the report has provided for my committee, for ASIC and for industry a wealth of information about things that can go wrong in the governance of an organisation and in the oversight of the regulator. One of the things that my committee is doing, which I will be working with ASIC to do, is going through that report and identifying—not just the recommendations, but looking at the submissions and looking at the discussion by the committee—all the various aspects of behaviour, of governance, of how the regulator oversees the industry, to see what it is that we can learn. What is it that we can adapt, change or improve so that we reduce the burden of regulation whilst, at the same time, improve the quality of the outcomes? For the consumer the quality of the outcomes that we are looking for is advice around their financial circumstances that is suitable for them, widely available, and affordable.

I know that the financial services inquiry is also looking at some of these areas and is even looking at things like the structures of the financial services sector and whether the existing structures are right. It is an area that is in considerable flux at the moment. As a government, we have a dual responsibility where we have to seek to change but not for change sake, because every change we make has a flowthrough cost for industry. Every time there is a change in regulation the impact for those in back of house to their systems, their training, their IT systems, their personnel, is huge and can cost, in some cases I am told, into the hundreds of thousands of dollars if not millions of dollars in terms of whole-of-system changes. We have to be very careful that the changes we make are needed and are targeted so that we achieve the outcome for the consumer without increasing regulation, without dampening competition and without putting unfair impost on the industry.

I would like to commend the secretariat of the committee who took evidence from a wide range of people both from the industry and from those who had been affected by poor financial advice. I would like to thank the officers from ASIC. ASIC comes in for a fair hiding at different times. The public expectations of what they should be doing in a whole range of areas—whether it be information, enforcement, auditing or investigations—are very high. Yet they are an organisation with a limited capacity. I have seen a willingness to increase their learning on how they respond to and how they react to, for example, whistleblowers and to things like enforcement and increased transparency. There is a range of people here who have contributed to what this report represents. It provides a good basis for ongoing development work by the parliament, by ASIC and by industry, all of which, I trust, will be to the benefit of the consumers in Australia who need this financial advice to plan and to provide for their future. I seek leave to continue my remarks.

Leave granted; debate adjourned.
Education and Employment Legislation Committee
Report

Senator LINES (Western Australia) (17:26): by leave—I move:
That the Senate take note of the report.

Labor does not support the Education and Employment Legislation Committee's report tabled today on the provisions of the Family Assistance Legislation Amendment (Child Care Measures) Bill (No. 2) 2014. We do not support this majority report which focused on childcare benefit, and I will present my reasons as to why we do not support it. I commend the Labor senators' dissenting report which gives an accurate report about the impact of freezing the income eligibility thresholds for childcare benefits.

Labor believes that Australian children have a right to good quality, accessible and affordable early childhood education and care, and we further believe that children and families have a right to a quality educator. After all, many children spend longer in childcare services than their brothers and sisters do in school. In order to retain quality educators Labor believes in paying educators a decent, professional wage.

In government, Labor undertook major reforms in the early childhood education and care sector and part of those reforms are still underway. Our reforms focused on improving educational outcomes for Australian families. The early childhood education and care sector has overwhelmingly endorsed Labor's reforms. Labor improved staff qualifications, improved staff-to-child ratios, introduced a national Early Years Learning Framework and a new outcomes based accreditation system. Through the COAG process states and territories introduced national early childhood and education laws. Labor, through its Early Years Quality Fund, took a first step in addressing the poverty wages in early childhood education and care which left many workers well under the poverty line.

The Abbott government has already abolished the Early Years Quality Fund and seems set to roll back Labor's improvements against the wishes of the sector. Despite promises before the election, all the Abbott government has done is cut $1 billion out of childcare assistance for Australian families.

We have seen cuts to family day care and we have seen cuts to outside school hours care. And then we have the accessibility fund, which was actually designed to increase childcare places. When the government was in opposition the now minister criticised the fund and in fact sat on that report from September of last year; yet earlier this week—Tuesday, I think—praised the report, which looked at how you might reduce some of the barriers that local government have in fast-tracking applications and making sure that there are enough early childhood places for Australian working and studying families. Minister Ley first criticised Labor's initiatives and then praised them. And the cuts go on. We have seen the Indigenous Child and Family Centres in Western Australia and across the nation severely cut, and we heard Senator Sterle speak about those earlier in the week.

Of course, the most recent one—and the one we had the inquiry into—was the childcare rebate. Minister Ley is still singing from the Abbott government's old broken promises and litany of lies song sheet with this lie on Tuesday, where she said in her media release:
The Abbott Government is committed to making child care more affordable.
When? Not in this budget and not with $1 billion worth of cuts. The Prime Minister's latest cut to child care currently before the parliament is a cut to the means-tested childcare benefit. It is an attack aimed directly at low- and middle-income Australians—the same people who are already doing it tough and feeling the pain of the Prime Minister's harsh budget. This is another attack on families. There was no warning before the election. No government has ever before either moved to cut or freeze the childcare benefit. Families should not have to pay the price for the Abbott government's inability to get their budget through the parliament. Prime Minister Abbott should keep his pre-election promise and reverse the $1 million cuts to early childhood education and care—something which families rely on.

When we did the inquiry earlier this week, the department appeared as witnesses and gave us evidence. You would think that, if the government were going to make it much more difficult for families to find their out-of-pocket expenses by freezing the wage eligibility of the childcare benefit, they would have some very solid research that they could present to the committee. But, no, despite questions during Senate estimates, despite questions since and despite questions earlier this week at the hearing, the department—and therefore the government—have no modelling at all other than a bit of a guess to let the committee and the public know what the cuts will mean for families. They were able to say that about half a million families would be affected. That is a staggering number of families who are already reeling under other cuts in the harsh, cruel Abbott budget that are hitting low- and middle-income families.

The department were not able to demonstrate to the committee the justification or to present modelling to tell us exactly which families, when and how—which you would expect when you are taking a million dollars out of a program. The government should be able to demonstrate very clearly how they arrived at that figure and what the damage will in fact be. But the department have not done any modelling. They have no intention of doing any modelling and they certainly did not have any modelling to share with us earlier this week at our committee hearing. This is despite overwhelming evidence in other childcare inquiries and overwhelming evidence presented through submissions that the cuts to the childcare benefit, which is aimed at low-income families, is really going to hurt families using childcare.

I thought that maybe the government had some other targeted program that they wanted to put this money into—maybe the family and children services that Senator Sterle spoke about—and that maybe they were going to find the million dollars needed in Western Australia to continue to support those childcare centres. But when we asked where the savings from the cuts to the childcare benefit were going to go, they did not know. The freezing of the eligibility to the childcare benefit has been around since the budget—more than 100 days—and still the department were not able to tell us where that money would go, other than to other government priorities.

What could be more important than supporting young children into quality early childhood education and care in this country? Indeed, before being elected as Prime Minister of this country, that is what Tony Abbott, as the opposition leader at that time, committed to do. What he has done ever since then is the complete opposite. Taking money from the early childhood sector is a bad move. It will impact families. We will potentially see women who work part-time having to cut their hours and therefore reduce the family's income or we may
see families being pushed into backyard unregulated care—and that would not be in anyone's best interests.

The evidence on the positive impact that early childhood education and care has on children's brain development is absolutely clear. Children benefit from quality care. Yet our Prime Minister is making that much, much tougher for Australian families, particularly those on low income. There is also plenty of evidence to say that kids from low-income families also benefit from this additional support. But, no, like many other budget measures, this is being ripped away from low-income families. They will suffer at the hands of the Abbott government. They will be the ones who have to pay more out-of-pocket expenses for child care—child care which is already way too expensive. And this is from a government that committed to do better. Well, when? That is the question that we ask. I commend the Labor senators' dissenting report, and I seek leave to continue my remarks.

Leave granted; debate adjourned.

DOCUMENTS

Consideration

The following orders of the day relating to government documents were considered:


Productivity Commission—Report No. 63—Safeguards inquiry into the import of processed tomato products. Motion of Senator McKenzie to take note of document agreed to.

Productivity Commission—Report No. 64—Safeguards inquiry into the import of processed fruit products. Motion of Senator McKenzie to take note of document agreed to.

Climate Change Authority—Report for 2012-13. Motion to take note of document agreed to.

Productivity Commission—Report No. 68—Safeguards inquiry into the import of processed tomato products. Motion of Senator Bushby to take note of document agreed to.

Wet Tropics Management Authority—Report for 2012-13, including State of the Wet Tropics report. Motion of Senator Macdonald to take note of document agreed to.

Torres Strait Regional Authority (TSRA)—Report for 2012-13. Motion of Senator Macdonald to take note of document agreed to.


Paid Parental Leave Act 2010—Paid Parental Leave Scheme—Review report by the Department of Social Services. Motion of Senator McEwen to take note of document agreed to.


Defence Abuse Response Taskforce—Sixth interim report to the Attorney-General and Minister for Defence. Motion of Senator McEwen to take note of document agreed to.

Institutional Responses to Child Sexual Abuse—Royal Commission—Interim report—Volumes 1 and 2. Motion of Senator Brown to take note of document agreed to.


Productivity Commission—Report No. 70—Australia's automotive manufacturing industry. Motion of Senator Carr to take note of document agreed to.
Australian Research Council—Strategic plan 2014-15 to 2016-17. Motion of Senator Cameron to take note of document agreed to.

Moorebank Intermodal Company—Statement of corporate intent 2014-15. Motion of Senator Cameron to take note of document agreed to.


National Broadband Network Co Limited—Corporate governance review by KordaMentha. Motion of Senator Ludlam to take note of document agreed to.


COMMITTEES

Consideration

The following orders of the day relating to committee reports and government responses were considered:

National Disability Insurance Scheme—Joint Standing Committee—Implementation and administration of the National Disability Insurance Scheme—Progress report. Motion to take note of report moved by Senator Urquhart and agreed to.

National Broadband Network—Select Committee—Interim report—Government response. Motion of Senator Ludlam to take note of document called on. On the motion of Senator Urquhart the debate was adjourned till the next day of sitting.

Finance and Public Administration References Committee—Commonwealth procurement procedures—Report. Motion of the chair of the committee (Senator Lundy) to take note of report called on. On the motion of Senator Urquhart the debate was adjourned till the next day of sitting.

Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples—Joint Select Committee—Interim report. Motion of Senator Peris to take note of report agreed to.

School Funding—Select Committee—Equity and excellence in Australian schools—Report. Motion of the chair of the committee (Senator Collins) to take note of report called on. On the motion of Senator Urquhart the debate was adjourned till the next day of sitting.

Education and Employment Legislation Committee—Fair Work Amendment Bill 2014 [Provisions]—Report. Motion of Senator McEwen to take note of report called on. On the motion of Senator Urquhart the debate was adjourned till the next day of sitting.

Education and Employment References Committee—Technical and further education system in Australia—Report. Motion of Senator Bilyk to take note of report called on. Debate adjourned till the next day of sitting, Senator Bilyk in continuation.

Foreign Affairs, Defence and Trade References Committee—Australia’s overseas aid and development assistance program—Report. Motion of the chair of the committee to take note of report called on. On the motion of Senator Bilyk the debate was adjourned till the next day of sitting.

Education and Employment References Committee—Government’s approach to re-establishing the Australian Building and Construction Commission—Report. Motion of the chair of the committee (Senator Lines) to take note of report called on. On the motion of Senator Bilyk the debate was adjourned till the next day of sitting.

Orders of the day nos 2, 4 to 6 and 8 relating to committee reports and government responses were called on but no motion was moved.
AUDITOR-GENERAL’S REPORTS

Consideration

The following orders of the day relating to reports of the Auditor-General were considered:
Auditor-General—Audit report no. 52 of 2013-14—Performance audit—Multi-role helicopter program: Department of Defence; Defence Materiel Organisation. Motion of Senator Fawcett to take note of document agreed to.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Edwards) (17:36): Order! I propose the question:

That the Senate do now adjourn.

HIV-AIDS

Senator SMITH (Western Australia) (17:38): In our first week of sittings following the winter recess, I am grateful for the opportunity to reflect on a very significant international event that Australia had the privilege of hosting just last month. I am speaking of AIDS 2014, the premier international gathering that brings together renowned experts working in the HIV field around the globe, along with policy and decision makers, those who are living with the reality of HIV in their lives as well as others with an interest and commitment to ending HIV.

The conference is held every two years and is widely acknowledged by those working in HIV research and policy as the pre-eminent gathering of experts. Australia should be proud to have hosted such a prestigious event and for the opportunity to share with delegates our nation’s success in the fight against HIV, which has always been a strongly community-driven effort.

The conference, held in Melbourne from 20 July to 25 July convened around 14,000 delegates, including around 1000 media representatives. I was enormously pleased to have the opportunity of attending several days of the conference to discuss Australia’s efforts in this field with those from other countries and to learn from each other’s stories. I did so in my capacity as chair of the Parliamentary Friends of HIV/AIDS, Blood Borne Viruses and Sexually Transmitted Diseases.

There were presentations from renowned scientific and medical experts, policy makers and those recognised as driving forces in campaigning to end discrimination against those suffering from HIV and AIDS. There were also high-profile speakers who provided keynote addresses during the days of the conference, including former Justice of the High Court Michael Kirby, former President of the United States of America Bill Clinton and musician Sir Bob Geldof, whose commitment to improving health and lives in Africa is particularly well-understood and well-documented.

This year, of course, the conference began on a particularly sombre note. Thedowning of Malaysia Airlines Flight 17 was a tragedy for many nations around the world, not least our own, with the loss of 38 of our fellow Australians. This senseless tragedy also had a direct bearing on the AIDS 2014 conference. Six of those lost aboard MH17 were en route to Melbourne to participate in the conference. Among them were the World Health Organization’s media officer, Glenn Thomas, as well as Dr Joep Lange, a former president of the International AIDS Society who had been involved in the fight against HIV from the very
beginning. His work was crucial in the development of the antiretroviral therapy that is integral to the treatment of HIV today. Dr Lange was also a key force in the development of methodologies to prevent mother-to-child transmission. His passing, and that of his partner, Dr Jacqueline van Tongeren, is an incalculable loss to the field of HIV research globally.

The opening session of the conference paid tribute to these and three other Dutch delegates who lost their lives in the tragedy. The conference proceeded inspired by the spirit of their dedication to ending the HIV epidemic around the world.

The opening plenary address given by the Hon. Michael Kirby was all at once moving, insightful, elegant and engaging. I would encourage my fellow senators to obtain a copy and read it, because there are clear messages in it for all of us. The standout message is a simple one—'We are in this together.' Just as HIV-AIDS does not discriminate between classes, races or geographic boundaries, Michael Kirby clearly articulated that not one side of politics has a monopoly on wisdom and compassion when it comes to the fight against AIDS.

Australia's initial response to AIDS—which came at a time when we knew very little about the condition and fear and panic abounded in some quarters—was forged in an atmosphere of bipartisanship. It is a credit to both major parties that they had within them people of the calibre of the then Minister for Health, Labor's Neal Blewett, and his opposition counterpart, Dr Peter Baume, who worked together to develop Australia's response, which is now widely acknowledged as being one of the more effective in our global community.

I say this particularly in an international context because, as we know, there were some countries in the 1980s, when the disease first emerged, where political parties used fear of HIV-AIDS as a political weapon. There are still countries where this is the case, and I will come that shortly. I am pleased that this approach has endured for the past three decades through governments of both political hues.

As a political conservative myself, I am particularly grateful to Michael Kirby for shining light on the fact that conservatives have played a leading role in the fight against HIV-AIDS, because it is not a point that is usually underlined in much of the commentary on the issue. But as Michael Kirby's speech pointed out, it was President George W Bush in the United States who established the PEPFAR Fund and who in retirement continues to provide leadership and promote the Global Fund that has helped save millions of vulnerable lives, especially in Africa.

As was also pointed out, a conservative, conviction politician, such as our present Prime Minister, Mr Abbott, is also well placed to talk to certain political leaders at forums, such as CHOGM or the G20, to persuade them to take real action in their own countries to abandon the politics of fear in this area. They are more likely to be persuaded by him than by their political opponents was the suggestion. Given the Prime Minister's long record of commitment to the fight against HIV-AIDS, I am sure it is an opportunity he will not overlook.

For all the progress that has been made in this country, both in the medical fight against HIV and the fight against discrimination, there remains an alarming number of countries in our world that continue to pursue policies that cause great harm to many of their citizens.

Many Australians would be shocked to learn that around four out of every five countries who are members of the Commonwealth, which itself accounts for 30 per cent of the world's
population, still view homosexuality as a criminal offence. The Commonwealth comprises 53 nations. Of these, 42 continue to criminalise homosexuality. Tomorrow, 29 August, is Wear It Purple Day, which is an opportunity to show support for young LGBTI people in the fight against bullying and discrimination by wearing an article of purple clothing. I hope that in doing that we can also pause for a moment to think about these issues in a global context, because, while the fight to eliminate bullying and discrimination in our own country goes on, the global fight is a much bigger and more daunting challenge. To illustrate that point, it is helpful to consider Commonwealth countries by region. In Africa, 16 Commonwealth countries criminalise homosexuality. In the Americas, it is 11 countries. The situation is dire in Asia, where every member country of the Commonwealth, eight in total, continues to punish homosexuality. Even in our own Pacific region, only four nations—ourselves, New Zealand, Fiji and Vanuatu—have decriminalised homosexuality. The other seven Commonwealth nations in our region continue to have anti-homosexuality statutes on their books.

While these laws are often not enforced in Pacific nations, especially in the manner in which they are in Africa and the Americas, that is of no comfort. The continued existence of these laws inhibits progress towards genuine equality, such as the introduction of anti-discrimination laws. Even if they exist in name only, these discriminatory laws nonetheless need to be removed. As some commentators have noted, it is richly ironic that the existence of these laws in many Commonwealth countries is not because of something indigenous to their cultures but through the import of British laws criminalising homosexuality that existed in the past but no longer exist. Likewise, there are religious influences at play in some of these countries. But, again, in many cases these are influences imported from Europe, which is now the only region among Commonwealth countries that is entirely free of laws that criminalise homosexuality. For those who are interested, I encourage you to read an excellent survey of this issue by Paula Gerber: 'Living a life of crime: the ongoing criminalisation of homosexuality within the Commonwealth'.

Australia has always been influential in Commonwealth affairs. We took a leading role in the Commonwealth's fight against apartheid in South Africa. We took a leading role in the fight against the atrocities and injustices of Mugabe's Zimbabwe during John Howard's time in office. The fight to rid Commonwealth nations of laws that discriminate against their LGBTI citizens, like those battles of the past, is ultimately a fight for equality, and it is one where Australia can and must again play a leading role. I am confident that this effort is one that will enjoy the support of all Australians. This nation's enlightened approach to fighting both discrimination and the scourge of HIV/AIDS and our geographic proximity to some of the worst perpetrators of discrimination should see us taking a leading role.

Road Safety Remuneration Tribunal

Senator STERLE (Western Australia) (17:48): It is a well-known fact of this place that I do not take adjournment very often, and, if I do, most people duck or get ready to sue me. But anyway, let's have a crack. I sat in your position yesterday, Mr Acting Deputy President Edwards, and I had to listen to a speech from Senator Canavan. I have to be honest with you. We all get tapped on the shoulder now and again: 'Go down there, make a contribution, burn up a bit of time, pretend you know what you're talking about.' Those of us who do not know what we are talking about will follow the script. Sadly, Senator Canavan did not, in my
opinion. But he will have a chance to square the ledger with me; I am sure there are no dramas.

But I have to say, I could have chewed through a piece of two-by-four yesterday listening to some of the contributions and facts and figures that came from Senator Canavan. I just want to share this with you. Senator Canavan was talking about one of my favourite subjects. He had obviously had the call to go in there and chuck a hand grenade—and this is my opinion—and try to win over some of the crossbenchers to support Senator Abetz's burning desire to get rid of the Road Safety Remuneration Tribunal—because we cannot have truckies getting paid! We cannot have the likes of Coles and transport companies paying their drivers to make sure that our roads are safe, make sure that our truckies are not overloading, make sure they are not speeding or taking illicit drugs or being forced to take shortcuts in terms of repairs and maintenance!

Senator Canavan made the fatal mistake of grabbing a figure—and I do not know where he got this figure—and, in his desire to belittle the fine work of the Road Safety Remuneration Tribunal, thought it was clever, in his opinion, to attack three members of the Road Safety Remuneration Tribunal. One of them I do not know. Two of them I know very, very well, and most people in this chamber know one of them extremely well and hold that former senator in very high regard.

I do not have a lot of time, but I am going to spend the time sharing with other senators in this place the backgrounds of three of the people Senator Canavan attacked. He talked about Jennifer Acton, the president, who is the Hon. Jennifer Acton. Her husband was Bill Shorten's office manager. Senator Canavan had a crack at her. He also mentioned a former senator of this place and former TWU boss, Steve Hutchins, as being on the tribunal. He went on to mention Paul Ryan, who represents an employer body and is also 'reportedly close to the Transport Workers Union' and he said, 'All of these people are being paid in the order of $95,000 to sit on the tribunal.' Well, let's clear the air. Everyone knows that I am ex-TWU. Everyone knows I am a life member of the TWU. And everyone knows that I am an ex-truck driver. I did not go through university and say, 'Ooh, I think I want to be a senator'; I actually worked for a living—like some of my colleagues in this place, not all of them, but some, and like you too, Mr Acting Deputy President, and Senator Bilyk and everyone in the chamber now, and Senator Wacka Williams. Okay, we've got that one out of the way!

Firstly, Ms Acton—the Hon. Jennifer Acton—is a senior deputy president of Fair Work Australia. She has previously been the head of the Termination of Employment Panel and currently serves on the Industries Panel and the Organisations Panel. President Acton is also a member of the advisory board for the Centre for Employment and Labour Relations Law and the editorial committee for the Australian Journal of Labour Law. Since 1992 President Acton has also been a senior deputy president of the Australian Industrial Relations Commission. She was an industrial advocate for the ACTU for 10 years, and has a wealth of workplace relations experience. Nothing about TWU there.

Let us go on to another fellow who I do know very, very well—Mr Paul Ryan. I classify him as a good bloke, a mate. He gave me a few blues in Perth and a few brawls in his previous life at Mayne Nickless, and I will tell you what—he left me wounded a couple of times. I would not call him a great friend of the TWU, but I will let you decide. Paul Ryan has 20 years experience in industrial and workplace relations in the transport and logistics
industry. He holds qualifications in commerce and law. After working for 10 years in the Commonwealth public service he joined Mayne Nickless, where he had responsibility for industrial relations in the freight and logistics group of that company—and I had plenty of experiences with him when he was with Mayne Nickless and they weren't all good, I am telling you, for me.

He currently operates his own consultancy, Strategic Industrial Planning Services Pty Ltd, which provides industrial relations advice and assistance to companies—not to truckies, but to companies—working in the freight and logistics industry. He is national industrial adviser for the Australian Road Transport Industrial Organisation, which is not some mad left-wing union group of truckies who want to bash up bosses.

Let's get to my old mate, a mentor of mine, and a damned good bloke—former Senator Steve Hutchins. He had a crack at Steve as well, or 'Hutcho', as we have lovingly called him all of the years we have known him. Steve Hutchins is a former senator in the federal parliament representing New South Wales from 1998 to 2011. Amongst his various committee appointments he was a member of the Senate committee on road transport. He currently tutors in industrial relations at RMIT University. His experience with road transport began in 1977 at the transport company TNT—actually, so did mine; I did not know that—before becoming an official with the Transport Workers' Union New South Wales branch as assistant secretary and then secretary-treasurer. He subsequently became the federal president of the TWU as a senior member of the Australian Council of Trade Unions. So if you want to have a crack, Senator Canavan, about my old mate Hutcho being close to the TWU, well, duh—we all knew that. But it is grossly unfair to attack Paul Ryan and accuse Mrs Jennifer Acton, or President Acton, of being TWU gumbies. I will chuck the 'gumby' word in, although he did not say that, but I have insinuated it.

There was another misleading of the Senate, where you said they get $95,000. I thought: 'Crikey, Hutcho—if we could do a swap, that is not a bad gig, and you can have the Senate spot.' So I rang former senator Steve Hutchins, who wished he was getting paid $95,000 a year. I just want to correct the record and, Senator Canavan: don't make up figures, mate. It can get you into a lot of trouble. This is taxpayers' money, and I have it here from former senator Hutchins—he is paid $40,960 to be a member of that brilliant committee that is trying desperately hard to keep our roads safe, and there is a $615 meeting fee.

There was a number of other ridiculous statements Senator Canavan made. In fact, if I wasn't sitting in your spot, I would have challenged him to take 40 steps to the right and make the statement out there where he is not protected by parliamentary privilege. I reckon he would have panicked and not done it. He also says—and I have to agree with him here—that 1217 people from the 12 months from March last year to this year have been killed in traffic accidents; spot on. He also says that his father-in-law is a truck driver; I reckon he must be a good bloke, then. And his uncle is a truck driver, so he must be a good bloke, too.

But if you are going to start talking as a truckie, let's be fair. There is only a handful of us in this place who could talk like that. Senator Williams is one, I am the other, and Senator Gallacher. We could probably find another truckie if we looked hard enough—maybe they drove a five-tonner at university, I don't know. But it is really disingenuous for any senator to come in here and cast ridiculous aspersions on people who are chosen for these positions. You may not like the legislation, those on that side. You may have difficulty with the thought of a
road safety remuneration tribunal, which most of you, or some of you, have shared with us, and that is fine. But you don’t, because you get the tap from the whip, come in here and start throwing mud around when it is ridiculously way off mark.

I want to take this opportunity in the adjournment speech tonight to talk about the wonderful opportunity that I have taking kids on World War I tours through France and Belgium visiting numerous Commonwealth cemeteries where all of those brave boys now lie. I will get the opportunity again, hopefully, soon. But I could not let Senator Canavan’s wild and ridiculous statements pass through this chamber, and I know I will be joined by you, Mr President. I certainly would not put words in your mouth, but to even try to degrade former Senator Hutchins, whom we all know and whose fine work we respect, is just a little bit out there.

We have all ridden the rough and tumble; we have all had a good crack at each other here. Fortunately, most of it is smoke and mirrors and all for show—behind the scenes, we all respect each other—and most of us have relationships where, once we leave this place, there is something more important than sitting across the chamber throwing rocks at each other. It is our families that we go home to. But I just wanted to correct the record. Senator Canavan, I am happy to have another conversation with you. I acknowledge that you have been elected by the people of Queensland—good on you. Get your facts right. Get the figures right. It doesn’t do any favours making it up. (Time expired)

Qantas

Senator XENOPHON (South Australia) (17:58): Earlier today Qantas, one of the world’s great airlines, announced a record $2.84 billion loss—a staggering loss; a loss that appears to be inexplicable, given the role that Qantas has in Australian and world aviation. And what I would like to put to the Senate tonight and to the people of Australia is that, if Qantas needs to turn things around, it needs to get rid of Alan Joyce, the CEO; and Leigh Clifford, its chairman; and its board.

Sir Rod Eddington, a former airline supremo—British Airways, for instance—made a point that in a service industry such as the airline industry you cannot succeed, if you declare war on your workforce. That is what Qantas management has done. Let’s put this in perspective in terms of what has occurred. Alan Joyce today said that there will be a turnaround; that Qantas is about to turn the corner. He has said it before. He said it back in 2010. He said in August 2010 that ‘international demand and yield across the business and leisure sectors continue to improve’ and that there was an improvement in international business. In February 2011, Mr Joyce said, ‘Qantas Airlines produced a strong revenue performance across both its international and domestic operations.’ Yet by June 2011 Alan Joyce was saying that Qantas International was in terminal decline. In that four-month period there was a 27 per cent drop in the share price of Qantas, but not a peep was said to individual shareholders and small shareholders in Qantas.

In 2012 we heard announcements made about Jetstar Hong Kong getting off the ground. It is yet to get off the ground, and they have blown millions of dollars from aircraft sitting in Toulouse, France, at Airbus’s headquarters because they have not got regulatory approval and it is unlikely they will get it any time soon. We know that back in 2012 Alan Joyce said of Qantas: ‘We continue to work towards returning Qantas’s international performance to profitability in the short term.’ That was another ‘turning the corner’ statement. We know that
in August 2012 Qantas said 'significant progress' was being made on an international turnaround plan. We know that on 18 October 2013, at the AGM for Qantas, Alan Joyce and Leigh Clifford got up and said things were looking good and that there was a clear strategy for Qantas to turn things around. Yet just seven weeks later, 49 days after that AGM, they made an announcement of a predicted loss of up to $300 million. In the meantime the share price has fallen by more than a quarter, but not a peep was said in the interim period to investors.

That is something that concerns me very much. That is why at the beginning of last month, on 8 July, I wrote to Mr Greg Medcraft, the chairman of the Australian Securities and Investments Commission, our corporate watchdog, raising a number of serious concerns put to me by employees of Qantas over the years in relation to the conduct of Qantas and whether Qantas has been complying with its statutory obligations in respect of continuous disclosure and the good faith provisions in section 184 of the Corporations Act. I did not raise these concerns with Mr Medcraft lightly. I raised them because there are many unanswered questions.

During the Senate inquiry process—and Senator Sterle was the chair of one of those inquiries—I asked Qantas management whether they had given briefings to institutional investors and whether those briefings were secret or not. Qantas responded on notice that those briefings were commercial-in-confidence. That is not good enough. If we believe in the stock market and a free enterprise system, small and large shareholders should be able to access the same information all the time. That is what continuous disclosure is about. Why should a mum-and-dad investor be left in the dark when institutional investors can get special commercial-in-confidence briefings? I think that is outrageous. There are 117,000 small, mum-and-dad investors with 10,000 shares or fewer in Qantas. There are many families around this country who have put their significant savings into Qantas on the basis of statements made by Qantas management, and they have been let down time and time again. I only hope that ASIC is able to thoroughly investigate the claims that I put to it. These are comprehensive claims in respect of inconsistent statements made by Qantas over the years.

I also want to put into perspective the Emirates tie-up. You may remember, Mr President, that one of the key turnaround strategies for Qantas was that it was going to have a tie-up with Emirates that would make a big difference to that airline. I made submissions to and appeared before the ACCC in relation to this because Qantas said that its international division was 'in terminal decline'. Guess what? The ACCC found that that assertion was not proven by Qantas. Let's look at what has happened according to the Bureau of Infrastructure, Transport and Regional Economics figures. In the first 12 months of the Qantas-Emirates tie-up, from 1 April 2013 to 1 April 2014, Qantas's passenger numbers into the country went up two per cent, even though the market grew much more than that. Emirates's numbers went up 18 per cent. Who got the better deal?

I am concerned that secret, confidential briefings have been given to institutional investors to the detriment of small investors. If that is the case and the information contained in those briefings was material to the Qantas share price, that is a matter that ASIC must look at very closely.

I also want to comment on the whole issue of the shutdown of Qantas back in October 2011. It was a unilateral action by Mr Joyce that cost the airline some $200 million. I am not
saying that the unions were blameless in relation to this, but it seemed to be an extraordinary action on the part of Mr Joyce. Interestingly—and these documents have been tabled in Senate committees—two weeks before the lockout, Qantas applied to the regulator of international routes to replace Qantas with Jetstar aircraft—in other words, a fully owned subsidiary. So maybe this has been Qantas's plan all along—to offshore and have Jetstar involved in these international routes.

I think it is also important to put into perspective that other airlines have done remarkably well. Air New Zealand's going gang busters. They announced a record profit just yesterday. They have really turned the corner. They are an airline that are not at war with their workforce. They work well with their workforce, and they announced a profit of NZ$260 million. That is a very significant profit, and that airline's projections are incredibly positive.

We need to know what material and confidential briefings were given to institutional investors by Qantas and what information was excluded from the many tens of thousands of mum-and-dad investors. That is something that Senator Williams, who is in the chamber, has been a passionate advocate for—corporate accountability. He played a driving role in the ASIC inquiry, and I know this is something he has a particular interest in.

Let us put remuneration in perspective. Since Alan Joyce took over Qantas he has earned $22.2 million while the share price has fallen 40 per cent. His pay packet of $5.1 million in the last year we know of, 2012-13, was the combined pay packet, virtually, of Singapore airlines, Cathay Pacific and Air New Zealand, yet the Qantas share price has gone down 40 per cent since he became its CEO.

This is a serious issue: 5,000 Australians will lose their jobs. Qantas is a national icon. It is our national flag carrier. I feel we have more bad news to come. What Alan Joyce has said cannot be believed. In my view, he is to Qantas what Caligula was to the Roman Empire. He is a person who has been part of the demise of a great Australian carrier. Notwithstanding that, Qantas still has outstanding individuals working for it—pilots, flight attendants and those on the ground. I pay my respects to them and I am sorry that they have to put up with such a shocking and appalling management.

Richmond Electorate

Senator WILLIAMS (New South Wales) (18:08): I rise this evening to talk about my visit to the Richmond electorate, in my role as Nationals' duty senator for that seat, during the winter break. Don't you love that phrase 'winter break'? It is as though we do not do anything.

My first stop was Byron Bay, where I met with Byron Shire Council, which is thankful to the coalition for providing $200,000 from the Safer Streets Program for CCTV. The council will install the CCTV and additional lighting in Johnson Street, which is the main street, and also in Apex Park. Byron Bay is a very popular holiday spot and also a destination for schoolies week. Of course, with increased crowds and a bit of grog come problems. In fact a media report of April 2012 quoted police as saying:

… Byron Bay is now one of the most violent places in the state.

… … …

At two o'clock in the morning, or between 11 and three, you have a far greater chance of being assaulted in Byron Bay by someone who's affected by alcohol than pretty much anywhere else in the State—
of New South Wales. That is very concerning. In future, when people in Byron Bay want to engage in violence and give a bad name to a beautiful holiday town, they should expect the police to come knocking when they have been identified on CCTV.

It was good to meet Mike, Virginia and Paul from EnviTE. EnviTE is the sponsor of four projects under the coalition's Green Army program and it will be working on revegetation and rehabilitation projects along the coastline in the Byron Bay area. There are four other projects in the Richmond area under the Green Army program. Not only are they good for the environment, each project provides work for up to 30 hours a week for nine participants plus a supervisor. The coalition government has committed $300 million over four years for the Green Army program.

I had the opportunity to inspect some of the work underway on the Pacific Highway between Tintenbar and Ewingsdale. In the budget, the coalition confirmed $129 million for this section of the highway linking Byron Shire to the Ballina bypass. It means that Richmond will be the first electorate north of Newcastle in New South Wales to have a complete dual-carriageway highway. There is an enormous amount of traffic in this part of the state and it will flow much better when the highway upgrade is complete.

At Tweed Heads, Kennedy Drive is a very busy thoroughfare. At the last election the Nationals' candidate Matthew Fraser promised $3.3 million for the upgrade of a section of the drive, on which the coalition is delivering. I met with a number of councillors, including the mayor, Barry Longland, and the general manager, Troy Green. They explained what the $3.3 million federal contribution would go to. There is a lot more work to be done but it certainly is a good start. I know that Mayor Barry and General Manager Troy would be delighted that the Roads to Recovery funding can be rolled out, following the passing of the legislation today. I am sure they would have been quite concerned when they saw what the Labor Party and others were up to with the Roads to Recovery program. I am glad that that has been passed.

One of the most impressive projects, which has community and council support, is the concept of a rail trail from Casino to Murwillumbah, a distance of 132 kilometres. The rail line opened in 1894 and closed down in 2004. In April last year, a NSW government report suggested it would cost $900 million to restore the line to be able to take passenger services again. We know that is not going to happen. There is a community push for a rail trail, where people could walk, run or ride a bike or a horse and call in at the towns along the way. Communities are always looking for ways to increase tourism and I think this is a viable project. Imagine riding on a pushbike on a lovely, sunny Northern Rivers day and calling in at the small railway stations along the way to have a coffee, look at the local arts and crafts and even pop into town. Why couldn't the existing rails be taken up and sold off for scrap? Perhaps the ironbark sleepers could be sold for firewood. It is a good concept that I think would bring a lot of tourism to that region.

The Tweed area is an extremely important area for sugarcane growing. In 2012, 4,300 hectares were harvested in the area surrounding the Condong plant, producing more than 300,000 tonnes of cane and 36,000 tonnes of sugar. The sugar growers are very concerned about the viability of the industry, because of changes in marketing arrangements, and they fear that their bottom line will be impacted on. Australian farmers are traditionally price takers, to their detriment. We have seen it in so many industries, and the dairy industry is one
that comes immediately to mind. The cane growers are concerned about the impact of the large multinational companies affecting their bottom line. I said I would do what I could for them.

I had a really interesting chat with Bill Townsend from Coolabah Cooling. Bill made it clear he is neutral on the question of climate change but he knew one thing—the carbon tax was a stupid policy that had a huge impact on so many businesses like his. He made the point that the cost of refrigerants went through the roof when the carbon tax was introduced, which meant of course he had to charge more to cafes, restaurants, supermarkets and homeowners. Bill told me that in some cases people just did not get their fridges or their air conditioners fixed, or they thought that he was overcharging them and went elsewhere. The customers thought that Bill was ripping them off. That was not the case at all. He said it was like a cyclone had hit the industry. When the carbon tax was abolished he was left with a large amount of gas that he had purchased at the old higher price, but, of course, he could not expect his customers to pay the higher price. So he took a financial hit on it, but Bill said he would wear that just to be rid of the carbon tax.

I would like to thank Matthew Fraser, Chairman of the Richmond Federal Electorate Council of the Nationals, for being with me for much of the tour. Matthew is a successful, young businessman who was recently elected President of Tweed Chamber of Commerce; he will do a great job. The Member for Richmond Justine Elliott could not contain herself; she criticised Matthew's election as being political. Ms Elliott, please do not criticise young Matthew because he is a great businessman and he works for his community in a great way. My many thanks go also to Alan Hunter and Rory Fraser for helping out on the Richmond tour.

Before I finish, I would like to pass on my congratulations to Madison Millhouse from Terranora in the Richmond electorate. Madison attended All Saints Anglican School and was one of the 500 Australian students named this week as winners of the 2013 Australian Student Prize. And while I am at it, I would like to place on record my congratulations to a young man from my home town of Inverell—Alexander Dimmock from Macintyre High School was also one of the 500 students to receive the prize. Well done to both Madison and Alexander.

**Senators adjourned at 18:15**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk:

- *Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.*

- **Aged Care Act 1997**—Fees and Payments Principles 2014 (No. 2)—Annual Prudential Compliance Statement Determination 2014 [F2014L01136].

- **Defence Act 1903**—Woomera Prohibited Area Rule 2014 [F2014L01134].


Statements of Principles concerning Creutzfeldt-Jakob disease—
No. 76 of 2014 [F2014L01138].
No. 77 of 2014 [F2014L01139].

Statements of Principles concerning peripheral neuropathy—
No. 74 of 2014 [F2014L01135].
No. 75 of 2014 [F2014L01137].

Statements of Principles concerning vascular dementia—
No. 78 of 2014 [F2014L01140].
No. 79 of 2014 [F2014L01141].

**Distributional and Cameo Analysis**

**Tabling**

The Parliamentary Secretary to the Minister for the Environment (Senator Birmingham) tabled the following documents:

Budget 2014-15—Distributional and cameo analysis—Letter to the President of the Senate from the Minister for Finance (Senator Cormann) responding to the order of the Senate of 27 August 2014 and raising a public interest immunity claim, dated 28 August 2014 and attachments.

**Review of the Renewable Energy Target**

**Tabling**

Pursuant to the order of the Senate of 27 August 2014, the Parliamentary Secretary to the Minister for the Environment (Senator Birmingham) tabled the following document:


**Index Lists of Files**

**Tabling**

The following document was tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 January to 30 June 2014—Statement of compliance—Safe Work Australia.

**Departmental and Agency Appointments and Vacancies**

**Tabling**

The following document was tabled pursuant to the order of the Senate of 24 June 2008, as amended:

Departmental and agency appointments and vacancies—Budget estimates—Letter of advice—Australian Renewable Energy Agency.

**Departmental and Agency Contracts**

**Tabling**

The following documents were tabled pursuant to the order of the Senate of 20 June 2001, as amended:

Departmental and agency contracts for 2013-14—Letters of advice—